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**SOCIETE DE PRODUITS NESTLE:** Protects its “CRUNCH” trademark and demonstrates its distinctiveness.

## Background

SOCIÉTÉ DES PRODUITS NESTLÉ (hereinafter SPN), based in Switzerland, is one of the most prestigious companies in the food and beverage industry.

SPN is the owner of many commercially successful trademarks; one of these trademarks is CRUNCH, which is registered by SPN with SENAPI, Bolivia. SPN detected the application for registration of the trademark “GALLO SNACKS CHOCO CRUNCH of rice” (mixed), in class 30, in the name of “SPN”.

The presence of the element CRUNCH prominent in the trademark applied implied a risk of confusion and association which SPN intended to prevent.

SPN filed an opposition against the application on the grounds of the prior registration of the wordmark CRUNCH, registered in the same Class 30.

## SPN grounds in the opposition

Article 136 - Decision 486 of the CAN (the Andean Commission): “Signs which are identical or similar to a trademark previously registered may not be registered ...”

Client	<b>SOCIETE DES PRODUITS NESTLE</b>
Trademark	CRUNCH

Registered Trademark

**CRUNCH**

Trademark Applied



- ▶ The word “CRUNCH” constitutes the most visible element in terms of size and placing in the overall trademark applied, being therefore the first one visualised by the consumer and the one that will be retained in its memory.
- ▶ “CRUNCH” is a fanciful expression (not generic for the class), which possesses full distinctiveness and the Trademark Office (SENAPI) must defend it in order to avoid its dilution.
- ▶ Both trademarks protect the same products included in the same class 30, which are commercialized by the same channels, promoted by the same tools, which increases the risk of confusion.

## Applicant’s defense

- ▶ The relevant element of the trademark set is “GALLO”, the other terms included are generic and “CRUNCH” is an evocative and weak term.
- ▶ It holds previous registrations of the trademark “GALLO”, constituting a family of “GALLO” trademarks.
- ▶ The term “CRUNCH” is evocative of the crunchy sound and has become a weak term.

## First decision of SENAPI: upholds the opposition and rejects registration

Ground for resolution 103/2018:

- ▶ The relevant element in the trademark set is CRUNCH.
- ▶ Although the applicant holds the GALLO SNACKS family of trademarks this does not mean that there is no possibility of confusion since the relevant element is not GALLO but CRUNCH.
- ▶ CRUNCH is not a commonly used term within the class, it is distinctive and as such is registered by SPN.
- ▶ There is likelihood of confusion, because the CRUNCH trademark is included in the trademark set and because they constitute the same goods, the consumer may understand that they have the same business origin or that there is a connection between them.

The losing party filed an appeal before SENAPI.

### 3.1 Reasons for Article 136(a) of CAN Decision 486:

**Article 136** - Signs whose use in commerce would unduly affect a right of a third party may not be registered as trademarks, especially when: **a)** *they are identical or similar to a trademark previously applied for registration or registered by a third party, for the same goods or services, or for goods or services where the use of the trademark may cause a risk of likelihood or confusion;*

## SENAPI's second decision: maintains the resolution: the trademarks are likely to be confused and crunch is not a weak term

On June 12, 2018 by Administrative Resolution No. 125/2018, SENAPI maintained the rejection of the trademark based on the same grounds: there is a risk of confusion and it is not accepted that CRUNCH is a weak or evocative term.

The losing party filed a hierarchical appeal before the highest authority of SENAPI.

## SENAPI'S third decision, confirms: the trademarks are likely to be confused and spn's crunch trademark is distinctive

By Resolution No. DGE /OPO/J-302/2018 dated November 5, 2018, the DENEGATORY decision to register the trademark "GALLO SNACKS CHOCO CRUNCH" is maintained, thus remaining firm in the administrative instance. This decision confirms the previous decisions issued by SENAPI and also confirms the grounds.

- ▶ The trademark to be registered is similar to a trademark already registered for the same goods, constituting the cause of registrability stipulated in Article 136 paragraph a) of Decision 486 of the CAN.
- ▶ Holding a group of related trademarks is not relevant when one of the terms of the trademark is identical to that of another previously registered.
- ▶ "CRUNCH" is not an evocative term nor is it of common use. It is a fully distinctive term owned by SPN.



The applicant did not file a contentious-administrative complaint, so the case has become final at the administrative instance by decree dated February 20, 2019.

Undoubtedly, SENAPI has used a very good criterion when issuing its decision, applying correctly the rule (Art. 136 paragraph a) of Decision 486).

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## Conclusions

By means of this decision, the Intellectual Property Office of Bolivia (SENAPI) ensured the protection of the wordmark CRUNCH registered by SPN avoiding, as in this case, attempts to register trademarks that aim, through the inclusion of the trademark in a mixed trademark, to cause confusion by association with SPN's trademark. It likewise recognized the distinctiveness of the trademark and gave it due protection to prevent third parties from seeking to dilute its distinctive character.

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