

AL COPELAND ENTERPRISES, INC.,  
Opposer

INTER PARTES CASE NO. 3325  
Opposition to:

Serial No. 57076  
Filed : 6 August 1985  
Trademark : "POPEYE'S &  
DESIGN"  
Used on : Fast food and  
restaurant services

HARIS N. NANDWANI  
Respondent-Applicant

DECISION NO. 96-3 (TM)

March 29, 1996

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### DECISION

This is an opposition to the registration of the trademark POPEYE'S and Design for fast-food and restaurant services filed on August 6, 1985 under Serial No. 57076. The said application, which was filed by HARTS N. NANDWANI with postal address in Negros Department Store, Araneta Street, Bacolod City was published for Opposition on Page 44, Volume 1, No. 10 of the BPTTT Official Gazette which was officially released for circulation on 20 December 1988.

Opposer, a corporation duly organized and existing under the State of Louisiana, U.S.A., with registered offices at 1333 South Clearview Parkway, Jefferson, Louisiana, U.S.A., believing that it will be damaged by the said registration, opposed the same on the following grounds:

- "a) Applicant is not entitled to register the trademark POPEYES and Design which is identical with Opposer's trademark/tradename POPEYES, which have been used in commerce in the U.S.A. and other parts of the world long before applicant's date of first use alleged in the application and applied for registration in the Philippines on the basis of an earlier U.S. registration. Applicant's use of his above-mentioned trademark which is an exact imitation of Opposer's mark/tradename is likely to cause confusion or mistake on the part of the purchasing public.
- b) The registration of the trademark POPEYE'S and Design by Applicant will violate Section 37 of Republic Act No. 166, as amended, and Section 6bis and other provisions of the Paris Convention for the protection of Industrial Property to which the Philippines and the U.S.A. are parties.
- c) The registration of and use by the applicant of the trademark POPEYE'S and Design will diminish the distinctiveness, and dilute the goodwill of Opposer's POPEYE trademark/tradename.
- d) The registration of the trademark POPEYE'S and Design in the name of the Applicant will contravene other provisions of Republic Act No. 166, as amended."

The Opposer herein relied on the following facts to support its Opposition:

"1. Opposer is the owner of the following trademarks:

MARK	BPTTT SERIAL NO.
a. POPEYES	65311
b. POPEYES	65309

and is the registered owner of POPEYES in the United States of America under U.S. Registration No. 1,267,567 based on first use in commerce dating back to March 1972 and upon which the above Philippine applications are based.

2. Applicant's goods and those of Opposer are identical or are related. The registration and use of an identical mark by the Applicant on his goods/services are likely to confuse or deceive the purchasing public into believing that the goods/services of Applicant are made by, originate from or are under the sponsorship of Opposer. Applicant obviously intends to trade, and is trading on Opposer's goodwill.

3. Opposer is the rightful owner and user of the POPEYES trademark on fast-food and restaurant services, among others, which the purchasing public have associated and identified with the Opposer.

4. Opposer's POPEYES trademark is internationally well-known, opposer has been extensively using in the United States and elsewhere, the POPEYES trademark on fast-food and restaurant services, among others. Opposer has also registered and continuously used the POPEYES trademark in several countries of the world.

5. The registration and use of the trademark POPEYE'S and Design by other persons like Applicant will certainly dilute and diminish the distinctiveness of Opposer's internationally well-known POPEYES trademark registered in its name in the United States and in several countries of the world.”

On 10 February 1989, Respondent-Applicant filed his Answer where he raised among others, the following Special and/or Affirmative Defenses.

“1. Respondent-Applicant is engaged in the fast-food restaurant business since 1981, operating under the business name and style “POPEYE'S Great Snacks and Drinks” in Bacolod City, Philippines.

2. In compliance with the provision of R.A. 863 and other pertinent laws, together with the Rules and Regulations issued by the Director of Domestic Trade, Respondent-Applicant filed for the registration of aforesaid business name and style which was approved as shown by the Certificate of Registration of Business Name issued by the Director of Domestic Trade on 24 March 1981 which registration was renewed on 7 June 1988.

3. In order to put a distinctive mark on the products he sells and their accessories such as glasses, food containers and wrappers, including his business and services, Respondent-Applicant started using in June 1984, the trademark POPEYE'S and Design.

4. On August 6, 1985, Respondent-Applicant having used in commerce said trademark and upon knowing that the trademark “POPEYE'S” for restaurant services under Registration No. 27258 had been abandoned by its owner, Copeland Enterprises, Inc., of Louisiana, U.S.A., filed his own application for the registration of the said trademark/tradename which application was published in Page 44, Vol. 1, No. 10 of the BPTTT Official Gazette for the purpose of opposition.

5. Opposer has no personality, capacity and legal rights to oppose Respondent-Applicant's application of his trademark under Serial No. 57076 on grounds such as: Opposer failed to allege therein that its application for registration of its allege trademarks/tradenames under BPT Serial Nos. 65311 and under 65309 was based on use in commerce in the Philippines, much less, on their registration in the Philippines prior to Respondent-Applicant's use in commerce in this country of his trademark POPEYE'S and Design for, in truth and in fact, BPT Serial Nos. 65309 and 65311 are mere applications for registration of Opposer's alleged trademarks/tradenames filed on

25 July 1988 or almost three (3) years after Respondent-Applicant had filed his own application for his trademark POPEYE'S and Design on August 6, 1985. Respondent-Applicant is the first user in commerce of the trademark/tradename POPEYE'S and Design in the Philippines which he substantially, exclusively and continuously used, hence, had established goodwill therefore, such that it gained distinctiveness of his goods, services and business and that Opposer is not entitled to the protection, rights and privileges provided in the Paris Convention for the Protection of Industrial Property notwithstanding the fact that the Philippines is a signatory thereto because it is not a foreign registrant as contemplated in Section 37 of R.A. No. 166 and contended further that the Paris Convention is subordinate to the Philippine Trademark Law. (R.A. No. 166).”

Considering that the issues have been joined, this Office set the case for pre-trial conference. Consequently, both parties submitted their pre-trial brief and the pre-trial was thereafter terminated.

Opposer presented MR. DARREL J. STUTES, the Senior Vice President of AI Copeland Enterprises, Inc., as witness by way of an Affidavit executed by the latter. Witness Mr. Stutes was cross-examined by Respondent-Applicant by way of Cross-Written Interrogatories which was answered by the same witness on 18 December 1990.

On 19 September 1991 Opposer made a formal offer of its set of evidence which was opposed by Respondent-Applicant on 14 November 1991. The said written offer of evidence consisting of Exhibits “A” to “Z” and their corresponding submarkings was admitted per Order No. 92-23 dated 6 January 1992. Opposer's Manifestation and Motion was granted per Order No. 93-241 dated 12 April 1992.

For its part, Respondent-Applicant took the witness stand and thereafter presented Exhibit “1” as evidence which was admitted in open court at the hearing scheduled on 2 April 1992.

Before this case was submitted for decision Opposer filed its Memorandum on September 23, 1993, Supplemental Memorandum on October 14, 1993, Rejoinder Memorandum on October 21, 1993 and Sur Rejoinder Memorandum on November 25, 1993 while Respondent-Applicant on the other hand likewise filed his Memorandum on September 24, 1993, Reply Memorandum on October 11, 1993 and Traversal Memorandum on November 10, 1993.

The main issue in this case is whether or not the Opposer will be damaged by the Registration of the mark POPEYE'S and Design in favor of the Respondent-Applicant considering that the latter's mark is identical to that of the former.

Opposer claims that the trademark/tradename POPEYES has been used by it in commerce dating back to March 1972 in the U.S.A. and other parts of the world long before applicant's date of first use i.e. June 1, 1984 which was alleged in his application filed on August 6, 1985. It was first registered in the United States Patent and Trademark Office on 23 September 1975 under the U.S. Registration No. 1,267,567. The same trademark had likewise been registered in the Philippines in 1979 under Certificate of Registration No. 27258 in the name of the Opposer's predecessor-in-interest, A. Copeland Enterprises, Inc. In addition to the aforementioned registrations, opposer submitted certified copies of Franchise Agreement in various countries such as Malaysia, Hongkong, Canada, Saudi Arabia, United Arab Emirates and Honduras. Based on these facts, the Opposer, as this Office is led to believe, is now seeking refuge under the Convention of Paris for the Protection of Industrial Properties to which the United States and the Philippines are members, claiming that the trademark “POPEYES” was already internationally well-known at the time the Respondent-Applicant filed his application for the same mark.

Records show that King Features Syndicate is the owner of the POPEYE cartoon character. Exhibit "N-1" further shows that the first cartoon featuring POPEYE Character was published 17 January 1929 under the title "The Thimble Theater - Now Showing Jobs of Work" and the copyright therein was duly registered by King Features Syndicate, Inc. a predecessor in interest of the present King Features under Certificate C1. K5, No. 36345, and renewed, by King Features under R 164,887, for a term ending December 31, 2004. Records show that King Features is a wholly owned subsidiary of the Hearst Corporation (see Exhibits "C-2", "N-1", "P-1", "VV" to "VV-11" and "XX-1" to "XX-6"); that King Features has granted Hearst certain rights to license the copyrights which the former owns; and, that Hearst granted to A. Copeland Enterprises, Inc. on 24 March 1976 the sole and exclusive right to use the copyright POPEYE Cartoon Character in its business and trade, and the advertising thereof which is described as the operation and supply of restaurants specializing in the sale of food items such as fried chicken, french fries and other ingredients (see Exhibit "N-2").

In the case at bar, it is important to note that herein Opposer has undergone several mergers/changes of name. In other words, POPEYES INC. began in February 1972 with the incorporation in Louisiana of (1) A. Copeland Enterprises, Inc., which assigned the POPEYES mark to (2) POPEYES Famous Fried Chicken, Inc., A Louisiana Corporation, on July 21, 1981. POPEYES Famous Fried Chicken, Inc., thereafter changed its name to (3) POPEYES Famous Fried Chicken and Biscuits, Inc. on February 3, 1984, to (4) POPEYES INC. on April 8, 1985 and on March 20, 1989 POPEYES INC. merged into Biscuit Investments Inc., which merged into Church's Fried Chicken on September 21, 1989, and, on the same day, changed its name to (5) AL COPELAND ENTERPRISES, INC. All the foregoing facts are evidenced by Exhibits "K-2" to "K12".

Considering that the Opposer AL COPELAND ENTERPRISES, INC. is a successor of POPEYES, INC. which is in turn a successor of A. Copeland Enterprises, Inc.'s rights under the March 24, 1976 license from Hearst, having agreed to perform and be bound by all of the covenants, conditions and obligations in the license from Hearst (see Exhibits "N" to "N-5" and Exhibits "0" to "0-16") herein Opposer would indeed be damaged by the registration of the trademark POPEYE'S and Design in favor of Respondent-Applicant. Opposer is precisely using the POPEYE'S trademark and character as a mark for restaurant services and for the promotion of a wide variety of products associated with the business. Respondent-Applicant's use and registration of the mark POPEYE is thus likely to mislead the consuming public into believing that Respondent-Applicant's restaurant is also licensed by or under the sponsorship of Opposer as are those of other franchise throughout the world.

As to the issue of whether or not the mark POPEYE'S and Design is a well-known mark, then Minister of Trade Roberto Ongpin, pursuant to his rule-making authority under Executive Order No. 913, issued a Memorandum referred to as the Ongpin Memorandum setting the criteria to be applied in resolving the question of whether or not a trademark is entitled to protection under Art. 6bis of the Paris Convention in which the Philippines and the United States are members is a well-known mark.

The said Memorandum provides:

"1. That the trademark under consideration is well-known in the Philippines or is a mark already belonging to a person entitled to the benefits of the convention, should be established pursuant to Philippine Patent Office procedures in inter partes and ex-parte cases according to any of the following criteria or any combination thereof,

- (a) declaration by the Minister of Trade and Industry that the trademark being considered is already well-known in the Philippines such that permission for its use by other than its original owner will constitute a reproduction, imitation, translation or other infringement;

- (b) that the trademark is used in commerce internationally, supported by proof that goods bearing the trademark are sold on an international scale, advertisement of factories, sales offices, distributorships and the like, in different countries, including volume or other measure of international trade and commerce;
- (c) that the trademark is duly registered in the Industrial Property Office(s) of another country of countries, taking into consideration the date of such registration;
- (d) that the trademark has been long established and obtained goodwill and general international consumer recognition as belonging to one owner or source;
- (e) that the trademark actually belongs to a party claiming ownership and has the right to registration under the provisions of the aforesaid Paris Convention."

It is noted that use in commerce internationally rather than use in the Philippines is one of the criteria in determining whether a trademark is well-known.

Respondent-Applicant places undue reliance upon the doctrine of territoriality of trademarks, typified by the Supreme Court's decision in *Sterling Products International Inc. vs. Farbenfabriken A.G.*, 44 SCRA which held that "Registration in the United States is not registration in the Philippines. What is to be secured from unfair competition in a given territory is the trade which one has in that particular territory, there is where his business is carried on; where the goodwill symbolized by the trademark has immediate value; where the infringer may profit by infringement." The strict interpretation of trademark rights in that case was warranted by the fact that it arose before the Philippines adherence to the Paris Convention; the foreign company in that case was relying upon a 1927 U.S. trademark registration as a basis for its opposition to another's use of the same trademark in the Philippines. The strict or rigid import of that decision must now yield to the superior treaty obligation to the Philippines as a member of the Paris Convention. The Supreme Court itself declared in *Romero vs. Maiden Form Brassiere Co. Inc.*, 10 SCRA 556, that "trademark rights in the Philippines without actual use of the trademark in this country, can be of course artificially created by means of a treaty or convention" in anticipation of which Section 37 of the Trademark Law was enacted.

In *La Chemise Lacoste vs. Fernandez*, 129 SCRA 373 a landmark case in the field of intellectual property law, the court begins with a classic preamble, to wit: "It is among the Court's concerns that the Philippines should not acquire an unbecoming reputation among the manufacturing and trading centers of the world as a haven for intellectual pirates imitating and illegally profiting from trademarks and tradenames which have established themselves an intellectual or foreign trade.

The Court upheld the legal capacity of the trademark owner *La Chemise Lacoste*, a French corporation (*Sociedad Anonima*) to bring a criminal complaint for unfair competition in the Philippines on the strength of the country's commitment as a member of the Paris Convention to protect the industrial property of national member states against unfair competition in the Philippines. The Supreme Court ruled, thus:

"In upholding the right of the petitioner to maintain the present suit before our courts for unfair competition or infringement of trademarks of a foreign corporation, we are moreover, recognizing our duties and the rights of the foregoing state & under the Paris Convention for the Protection of Industrial Property to which the Philippines (France) U.S. are parties. We are simply interpreting a solemn international commitment of the Philippines embodied in a multilateral treaty to which we are a party and which we entered into because it is our national interest to do so."

There is no doubt that the cartoon character POPEYE or, simply the word POPEYE is an internationally well-known mark to old and young people alike anywhere and all over the world. Sufficient evidence were presented and considered by this Office to prove that the subject mark is an internationally well-known mark e.g. Exhibits "A" to "A-4", the duly authenticated and notarized affidavit of MR. DARREL STUTES; Exhibits "B" to "B-4" Commercial Invoices from 1989 to 1990; Exhibit "D", Index of Worldwide registrations of the trademark POPEYE'S, Exhibit "L" to "L-1", certified copy of U.S. Regn. No. 1,021,254; Exhibits "M" to "M-1", certified copy of Philippine Registration No. 27258 of POPEYES in the name of A. Copeland Enterprises, Inc.; Exhibits "M-10" to "M-15", Copies of correspondence with Army and Air Force Exchange Service, a potential franchise in the Philippines; Exhibits "Q" to "Q-24", certified copies of invoices from the U.S. to Saudi Arabia, Honduras, Canada and Bahamas of POPEYES franchises; Exhibits "R" to "R-1" certified copy of total sales of POPEYES Famous Fried Chicken and Biscuits for the years 1987 to 1989; Exhibits "S" to "S-16", 13 U.S. Federal Registrations of the POPEYE'S marks, by itself or in combination with other features; Exhibits "T" to "T-31", "U" to "U-30", "V" to "V-35", "W", to "W-33", "X" to "X-32", "Y" to "Y-33", "Z" to "Z-33", "CC" to "CC-38", "DD" to "DD-55", "EE" to "EE-51", "HH" to "HH-37", "II" to "II-30" certified copy of Franchise Agreements with Malaysia, Hongkong, Canada, and Abu Dhabi, United Arab Emirates and Exhibits "F" to "FF-20", "GG" to "GG-55", "JJ" to "JJ-31", certified copies of Development Agreements with corporations in Saudi Arabia and with the Army and Air Force Exchange Service for the construction of restaurants in U.S. Military Bases.

Although it is true that Opposer is a mere licensee of the POPEYE Cartoon Character, having been authorized to use the same, the fact remains that Opposer is the owner of the trademark POPEYES, for fried chicken, cleaning compound for fry cookers, paper supplies, disposable cups and plastic food containers, prepared chicken, poultry shellfish all for use by opposer's wholly-owned or franchised restaurants, etc., in Int. Classes 3, 16, 21, 29, 30, 31, 34 and 42 in the U.S.A. under U.S. Regn. No. 1,267,567 based on its use in commerce dating back to March 1972 and a previous registration in this Office for the same mark under Regn. No. 27258 for restaurant services among others way back March 15, 1979, by its predecessor-in-interest, A. Copeland Enterprises, Inc., whereas as alleged by Respondent in this case, he has used such trademark only in 1984.

Applicant claims that Opposer will not be prejudiced by the registration of POPEYE in his name because Opposer had already abandoned the trademark by its failure to file an affidavit of use or non-use of the trademark and its non-use for two or more years is devoid of merit. The Supreme Court held in *Romero vs. Maiden Form Brassieres* 10 SCRA 556 that "to work abandonment, the disuse must be permanent and not ephemeral; it must be intentional and voluntary, and not involuntary or even compulsory. In the case at bar, it cannot be said that there was an abandonment since herein opposer in fact reapplied for registration of the subject mark in accordance with Section 16 of Republic Act No. 166 which provides:

*SECTION 16. Effect of failure to renew registration.* - Mere failure to renew any registration shall not affect the right of the registrant to apply for and obtain a new registration under the provisions of this Act, nor shall such failure entitle any other person to register a mark or trade-name unless he is entitled thereto in accordance with the provisions of this Act.

Finally, registration of internationally well-known mark on the basis of abandonment by the lawful owner, if tolerated, will give the Philippines and Philippine businessmen an undesirable reputation. In this case, the POPEYES trademark which is undeniably based on the well-known cartoon character called POPEYE was registered in the name of Opposer.

Respondent-Applicant, on the other hand, alleged that he begun using POPEYES only since June, 1984 while the registration of Opposer was still subsisting under Registration No. 27258 issued March 15, 1979. And only five (5) months from the time the Opposer's registration was declared abandoned, Respondent-Applicant filed his application for registration for the same trademark that he neither created nor developed.

Consequently, as between the Opposer who is the licensee of the POPEYE Cartoon Character and the registered owner of POPEYE'S on restaurant services among others, and the Respondent-Applicant, this Office must resolve the case in favor of the Opposer.

WHEREFORE, this Opposition is, as it is hereby SUSTAINED. Accordingly, Application Serial No. 57076 filed by Haris N. Nandwani is hereby REJECTED.

Let the filewrapper of this case be forwarded to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision. Likewise, let a copy of this Order be furnished the Trademark Examining Division for information and to update its record.

SO ORDERED.

EMMA C. FRANCISCO  
Director