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| CARL KARCHER ENTERPRISES, INC., | } | IPC No. 14-2002-00030 |
| Opposer, | } | Opposition to: |
| | } | Appln. Ser No. 117996 |
| -versus- | } | Date Filed: 02-18-97 |
| | } | TM: "SUN AND STAR |
| | } | DEVICE" |
| FAMILY MART CO., LTD., | } | Decision No. 2006-133 |
| Respondent-Applicant, | } | |
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DECISION

This case pertains to the notice Of Opposition filed by Carl Karcher Enterprises, Inc. on February 18, 1997 against the application for registration of the trademark "SUN & STAR DEVICE" with Application Serial No. 117996 for "retail services" in Class 42 by Family Mart Co. Ltd.

Opposer Carl Karcher Enterprises, Inc. is a foreign corporation duly organized and existing under the laws of the State of California, United States of America, with principal place of business at 1200 North Harbor Boulevard, Anaheim, California 92803 United States of America while respondent-applicant Family Mart Co. Ltd. is a corporation duly organized and existing under the laws of Japan with address at 26-10, Higashi-Ikebukuro 4-Chome, Toshima-ku, Tokyo 170, Japan represented by its resident agent Quisumbing Torres & Associates Law Office.

Believing that it will be damaged by the registration of the said trademark, Opposer filed its verified Notice of Opposition dated July 11, 2002 based on the following grounds:

1. The mark "SUN & STAR DEVICE" sought to be registered by the Respondent-Applicant adopts the dominant feature of the Opposer's internationally well-known "STAR LOGO" mark covering restaurants services, owned, used and unabandoned by the Opposer, and is confusingly similar to Opposer's mark.
2. Indeed, the confusing similarity between Respondent-Applicant's mark "SUN & STAR DEVICE" and the internationally well-known "STAR LOGO" trademark of the Opposer is likely to deceive the purchasers of services and goods on which the mark is being used, as to the origin or sponsorship of said services and/or goods, and also as to the nature, quality, characteristics of the goods and services to which the mark is affixed.
3. The dominant feature of the Respondent-Applicant "SUN & STAR DEVICE" comprises of a representation of a star with features of a smiling face which representation adopts and is confusingly similar to, if not identical to the "STAR LOGO" mark owned and used by the Opposer. The striking similarity in the star device found in the contending marks will surely cause confusion to the prospective buyers and are likely to mislead the public as to the origin of the services provided, or the sponsorship thereof.
4. The probability of confusion in the minds of the public is further amplified by the fact that the Respondent-Applicant and Opposer's trademarks are both being used in connection with "restaurant services". Respondent-Applicant claims to use its "SUN & STAR DEVICE" under Application No. 177996, for "Retail services performed by establishments essentially engaged in the operation of supermarkets, convenience stores, restaurants and/or bars; providing of drinks and foods, maintenance of computers (including central processor unit and electronics circuits, magnetic discs and magnetic tapes with computer programs,

and other peripheral equipment), brokering reservations for lodging accommodations, airline tickets; retail store management services” while Opposer’s internationally well-known “STAR LOGO” mark are used in connection with “Restaurant Services”

5. Thus, the registration of the confusingly similar trademark “SUN 7 STAR DEVICE” for similar or identical goods will not only violate the IP Code but is also a breach of Article 6bis of the Paris Convention for the protection of Industrial Property enforced in the Philippines by virtue of the Memoranda of then Minister of Trade dated November 20, 1980 and October 25, 1983 directing then Director of Patents to cancel and/or reject/refuse all unauthorized registrations that are identical with or confusingly similar to well-known marks.
6. Opposer is the adopter, user and true owner of the “STAR LOGO”, trademark having used said mark in international commerce for years. Opposer and its predecessors-in-title have been using the aforementioned marks in connection with “Restaurants services” since 1988 outside the Philippines and since 1999 in the Philippines. Hence, it is the Opposer, which has the exclusive right to the use, registration and protection of same marks, including the right to exclude others from using and registering similar marks, under Republic Act 8292 and the Paris Convention.
7. Opposer’s internationally well-known “STAR LOGO” mark has become distinctive of the business and/or goods of the Opposer through the latter’s long and exclusive use thereof in international commerce.
 - a) Opposer by itself or through its predecessor-in-interest, has obtained and continues to obtained registration for the mark “STAR LOGO” from the industrial or intellectual property offices of various around the world.
 - b) Opposer’s “STAR LOGO” is covered by Philippine Certificate of Registration No. 46470, which shows that opposer, is entitled to the exclusive use of the said mark in the Philippines.
 - c) Opposer’s “STAR LOGO” mark has long established good will and general consumer recognition in the Philippines as belonging to Opposer thru the various business outlets it has established in the Philippines thru its Philippine License Diversion Food, Inc.
 - d) In the international market, Opposer’s “STAR LOGO” mark has long established good will and general international consumer recognition as belonging to the Opposer.
 - e) Opposer’s “STAR LOGO” mark has acquired immense and valuable goodwill as a result of the enormous sales generated by the products bearing said mark, as well as vastly superior quality of services/goods bearing said marks. In the Philippines, sales of products using the “STAR LOGO” mark amounted to Php 171, 248, 87.95 for the last two (2) years as stated in the Affidavit-Direct Testimony (par. 6) of Mr. Victor Siasat, Chief Executive Officer of Diversion Foods, Inc. executed on July 5, 2002. Worldwide sales for the past five (5) years have amounted to US\$ 6, 732, 300, 784.00 as stated in the duly authenticated Affidavit-Direct Testimony (par. 8) of Mr. Robert A. Wilson, Senior Vice-President and General Counsel of Carl Karcher Enterprises, Inc.

- f) Opposer's "STAR LOGO" mark has likewise acquired immense and valuable goodwill as a result of the enormous sums of money spent in advertising and promoting its trade and/or service mark. In the Philippines, advertising and promotions expenditures for the last two (2) years have amounted to Php 12, 413, 742.48. Worldwide expenditures for advertising and promotions have reached US\$ 816, 161, 934.00 for the last five (5) years.

Opposer relied on the following facts and circumstances:

1. Opposer and its predecessors in interest have always been the prior and exclusive users and owners of the internationally well-known "STAR LOGO" mark, is used in connection with "Restaurant services" in class 42.
2. Opposer has an active trademark registration covering the "STAR LOGO" mark in the Philippines.
3. Opposer's "STAR LOGO" mark was first used worldwide on 1988. Date of first use in the Philippines was on 1999.
4. Opposer's "STAR LOGO" mark has various applications and registrations in various countries all over the world.
5. The Opposer's "STAR LOGO" mark has earned an immense and valuable goodwill as a result of the sales generated by the products and/or services bearing the "STAR LOGO" mark.
6. In the Philippines, the "Star Logo" mark has acquired immense and valuable goodwill from the large sums of money spent worldwide in advertising and promoting services and/or products bearing the said mark.
7. Opposer uses a wide range of advertising and promotion materials to promote and advertises the goods and/or services bearing the "STAR LOGO" mark.
8. Opposer and/or predecessor-in-interest have taken appropriate steps to protect the distinctive character of its trademark, particularly the "STAR LOGO" mark. Opposer has vigorously opposed applications for registrations of confusingly similar marks.

On August 29, 2002, respondent-applicant filed an ANSWER specifically denying all the allegations in the NOTICE OF OPPOSITION; and alleging the following defenses:

1. Respondent is the owner of the mark SUN & STAR DEVICE, which is the subject of the notice of opposition.
2. Respondent uses the mark SUN & STAR DEVICE in commerce in various countries abroad and intends to use the same mark in the Philippines;
3. The SUN & STAR DEVICE mark is registered and has been applied for registration in the name of the Respondent in several countries, including the Philippines. Accordingly, the mark is entitled to broad protection under the provisions of the Intellectual Property Code of the Philippines, the International Convention for the protection of Industrial Property and the Agreement on Trade-Related Aspects of intellectual Property Rights,
4. Respondent enjoys the exclusive right to use and register the mark SUN & STAR DEVICE.

On September 1, 2005, Office Order No. 79 came into effect and both parties were directed per Order No. 2006-348 to file and complete their respective evidence within thirty (30) days from receipt of said Order.

Opposer filed a COMPLIANCE on April 19, 2006 consisting of pieces of documents in support of the Opposition, to wit:

| EXHIBITS | DESCRIPTION |
|---------------|--|
| A | Authenticated and Legalized Special Power of Attorney, Secretary's certificate |
| A-1 | Notarial Certificate |
| A-2 | Legalization page |
| A-3 | Authentication page |
| A-4 | Signature of Affiant, Robert Wilson |
| B to B-1 | Affidavit-Direct Testimony of Victor Zarasa, CEO for Diversion Foods, Inc. |
| B-2 | Signature of Mr. Zarasa |
| C to C-1 | Affidavit-Direct Testimony of Mr. Robert A. Wilson, Senior VP and General counsel for Carl Karcher Enterprises, Inc. |
| C-2 | Signature of Affiant |
| C-3 | Notarial Certificate |
| C-4 | Legalization page |
| C-5 | Authentication page |
| C-6 to C-18 | Schedule of all active and pending applications of the STAR LOGO TRADEAMRK in the name of CARL KARCHER ENTERPRISES, INC. |
| C-19 to C-143 | List/copies of the registration and/or applications identified in the schedule |
| D | Certificate of Registration No. 46470 |
| D-1 | Signature of Ms. Honorie B. De Vera, Intellectual Property Rights Specialists V |
| D-2 | Second page of the Certificate |
| D-3 | Third page of the Certificate |
| D-4 | Fourth page of certificate |

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| E | Various materials used by Opposer showing use of STAR DEVICE: Brochure |
| F | Wrapper |
| G | Cup Holder |
| H | Paper bag |
| I | Hamburger wrapper |
| J | Burger |
| K | Fries packaging |
| L | Tissue |
| M | Paper cup |
| N | Styrofoam hotdog sandwich |
| O | Carton packaging for chicken nuggets |
| P | Styrofoam for spaghetti |
| Q | Paper bag for cool combos for kids |
| R | Hanging carton mobile for Carl's Jr. barbecue cheese burger |
| S | Styrofoam for meal |
| T | Plastic cup |
| U | Brown paper for Carl's Jr. beverage |

On the other hand, Respondent-Applicant submitted its COMPLIANCE on April 10, 2006 and attached thereto-documentary evidences to wit:

| EXHIBITS | DESCRIPTION |
|----------|---|
| 1 | Special Power of Attorney in favor of Quisumbing Torres |
| 2 | Copy of Registration No. 117997 issued on April 12, 2002 |
| 3 | Copy of Registration No. 117995 issued on January 15, 2002 |
| 4 | Copy of Registration No. 117997 issued on June 22, 2002 |
| 5 | Copy of Vietnamese Registration No. 9992 |
| 6 | Opposition to Motion to Declare in Default with Answer filed on August 29, 2002 |
| 7 | Affidavit of Pericles R. Casuela |

The case was deemed submitted for decision with the filing of the parties of their respective Compliances.

Before Office Order No. 79 took effect a pre-trial conference ensued on July 14, 2005 and a Pre-Trial Order pursuant thereto was issued. A circumspect perusal of the issues as stated in the Pre-Trial Order would show that these issued may be pared down as follows:

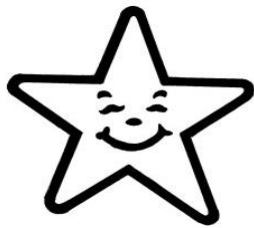
1. Whether or not Respondent-Applicant mark "SUN AND STAR DEVICE" is identical or confusingly similar to Opposer's "STAR LOGO"
2. Whether or not respondent-applicant is entitled to the registration of the mark "SUN AND STAR DEVICE".
3. Whether or not Opposer's mark is internationally well known entitled to protection.

It should be noted that the trademark application being opposed was filed on April 18, 1989 or during the effectivity of the old Trademark Law (R.A. 166, as amended). Thus, the applicable provision of law in resolving the issue involved is Section 4 (d) of R.A. No. 166.

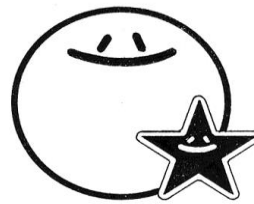
Under section 4(d) of Republic Act No. 166, a trademark shall not be registered if it consists of or comprises a mark, which so resembles a mark registered in the Philippines, or a mark or trade name previously used in the Philippines by another and not abandoned.

Such limited right over a trademark is likewise reflected in Republic Act 8293. under Sec. 123 (d), registration of a trademark which is identical with another already registered mark or a mark with an earlier filing date or priority date shall be denied, where to allow such registration could likely result in confusion, mistake or deception to the consumers. Conversely, where no confusion is likely to arise, registration of a similar or even identical mark maybe allowed.

Since Opposer alleged that Respondent-Applicant's SUN AND STAR DEVICE was confusingly similar to or was a colorable imitation of its STAR LOGO, there was a need to go into the details of the two logos. A close perusal of opposer's "STAR LOGO" and respondent-applicant's "SUN AND STAR DEVICE" shows that they are almost identical to each other: Respondent-Applicant's mark consists of two logos- SUN AND STAR while, Opposer's mark feature only a STAR logo. However, the existence of the SUN DEVICE/LOGO in Respondent-Applicant's mark does not make a distinction to Opposer's "STAR LOGO". For comparison below are the graphic representations of both marks, showing that they are almost identical or confusingly similar to each other:



Opposer's STAR LOGO



Respondent-Applicant's SUN AND STAR LOGO

Based on the above-analysis, it is observed that although Respondent has two device SUN and STAR, the STAR in Respondent's Logo is almost identical to Opposer's STAR LOGO. Hence, the two marks appear to be confusingly similar. Respondent-applicant has a boundless choice of words, phrases and symbols to adopt as a mark sufficient unto itself to distinguish its services from those of opposer's and others' marks (III, Callman, Unfair Competition, 2nd Ed., pp. 1527-1528). Respondent-applicant's STAR LOGO appears to be almost identical to opposer's mark. Moreover, there is therefore no reasonable explanation as to why Respondent-Applicant's choose the "STAR LOGO" for restaurant services except that it intends to cash in on the goodwill of opposer's mark already acquired.

It must be noted that Opposer's STAR LOGO was registered with the Bureau of Patents, Trademarks and Technology Transfer (BPTTT) on September 11, 1989 bearing Registration No. 46470 for restaurant services under Class 42 of the International Classification of Goods. on the other hand, Respondent-Applicant's mark "SUN AND STAR DEVICE" being used on "Retail services performed by establishments essentially engaged in the operation of supermarkets, convenience stores, restaurants and/or bars providing drinks and foods, maintenance of computers (including central processor unit and electronics circuits, magnetic discs and magnetic tapes with computer programs, and other peripheral equipment), brokering reservations for lodging accommodations, airline tickets; retail store management services" also falling under Class 42 of the International Classification of goods and services was filed on February 18, 1997

which is eight (8) years after the registration of Opposer's mark, hence Opposer's mark deserves priority and protection.

Considering that Respondent-Applicant's mark STAR LOGO is being used in a wide range of services, it is only with respect to restaurant services in which the consuming public, particularly, the unwary consumers will be deceived, confused and mistaken into believing that the restaurant services of the Respondent-Applicant may have come from Opposer or be mistaken by unwary customers to have been authorized by the Opposer to its damage and prejudice. With respect to the other services in which the mark STAR LOGO is being used i.e. retail services performed by establishments essentially engaged in the operation of supermarkets, convenience stores, maintenance of computers (including central processor unit and electronics circuits, magnetic discs and magnetic tapes with computer programs, and other peripheral equipment), brokering reservations for lodging accommodations, airline tickets; retail store management services which are grossly different, it is highly unlikely that it will cause confusion or mistake or deceive purchasers or others as to the source or origin of such services, or identity of such business.

Lastly, as to the issue of whether or not Opposer's mark is internationally well-known, this Bureau rules in the negative.

Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Tradenames and Marked or Stamped Containers set the criteria for determining whether a mark is well known. One of the criteria is the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies.

Opposer alleges through its witness, Robert Wilson, that Carl Karcher Enterprises, Inc., "has spent considerable amounts of money in advertising and promoting products and/or services bearing the STAR LOGO trademark. The worldwide spending on advertising and promotion of the STAR LOGO trademark amounted to approximately U.S. \$816, 161, 934.00 for the past five years." (See affidavit of Robert Wilson, Exh. C). However, no evidence was presented to prove his claims. Although Opposer offered a list of various pending applications and registrations of the mark STAR LOGO worldwide the evidence presented is not sufficient to validly establish its claim that the mark "STAR LOGO" is an internationally well-known mark.

WHEREFORE, the Opposition is hereby SUSTAINED only with respect to the registration of the trademark "STAR LOGO" for restaurant services. However, with respect to other services covered by Appln. Ser. No. 117996 i.e. retail services performed by establishments essentially engaged in the operation of supermarkets, convenience stores, maintenance of computers (including central processor unit and electronics circuits, magnetic discs and magnetic tapes with computer programs, and other peripheral equipment), brokering reservations for lodging accommodations, airline tickets; retail store management services on which the mark STAR LOGO is being used, the same is hereby GIVEN DUE COURSE.

Let the filewrapper of "STAR LOGO" subject matter of this case be forwarded to the Bureau of Trademarks for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, November 29, 2006.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office