

GEOFFREY, INC.,  
Opposer,

-versus-

CHRISTINE CHUA.  
Respondent-Applicant.

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IPC No. 14-2000-00040  
Opposition to:

App. Serial No.: 95925  
Filed on : 19 October 1994  
Trademark : FRIES "R" US

Decision No. 2001-39

## DECISION

This pertains to the Opposition filed by GEOFFREY INC., a corporation organized and existing under the laws of the State of Delaware, USA, with principal address at No. 2002 W. 14<sup>th</sup> Street, Wilmington, Delaware, USA, against the registration of the mark FRIES "R" US covering the following goods: hamburger, french fries, chicken nuggets, and green peas, with Application Serial No. 95925 and filed on 19 October 1994 in the name of CHRISTINE CHUA, a Filipino citizen with address in San Juan, Metro Manila.

The subject application was published on Volume II, No.1, January-February 1999 issue of the Official Gazette, which was officially released for circulation on 21 June 1999. Opposer filed a Verified Notice of Opposition on 17 September 1999, having been granted by this Office an extension of time to do so, upon Motion for Extension filed by the Opposer on 20 August 1999.

The grounds for the opposition to the registration of the mark FRIES "R" US are as follows:

"1. The registration of the trademark FRIES "R" US in the name of Respondent-Applicant will violate and contravene the following provisions of the Intellectual Property Code of R.A. 8293 :

"1.1 The registration of the mark FRIES "R" US will violate Sections 123 (d) (ii) and 123 (d) (iii) of the IP Code because Respondent-Applicant's mark is confusingly similar to the trademark TOYS "R" US, and KIDS "R" US and the family of "R" US marks, owned and unabandoned by the Opposer, as to be likely, when applied to or used in connection with the goods of Respondent-Applicant to cause confusion or mistake or deceive purchasers thereof;

"2.2 The registration of the mark FRIES "R" US will violate Section 123 (e) of the IP Code because Opposer's TOYS "R" US, KIDS "R" US and the family of "R" US marks, are well-known mark, and known all over the world to be exclusively owned by the Opposer as used on a wide variety of products and services. Hence, registration of the confusingly FRIES "R" US mark will not only violate the IP Code but is a clear breach of Article 6bis of the Paris Convention for the protection of Industrial Property in force in the Philippines by virtue of Memoranda of then Minister of Trade dated November 20, 1980 and October 25, 1983 directing the Director of Patents to cancel and/or

reject/refuse all unauthorized registrations that are identical or confusingly similar to world-famous marks.

- "2. The registration of Respondent-Applicant's trademark FRIES "R" US will cause grave and irreparable injury and damage to the business reputation and goodwill of the Opposer within the meaning of Section 134 of the IP Code.

Opposer relied on the following facts to support the contentions in its Opposition:

- "1. Opposer is a subsidiary of TOYS "R" US, INC., a corporation duly organized under the laws of the United States, and owns the trademark TOYS "R" US and the family of "R" US marks. Opposer's principal assets are its TOYS "R" US and the family of "R" US marks, and its sole business is to own and license the use of the foregoing trademarks on a world-wide scale.
- "2. Opposer is the true and actual owner of the well-known trademark TOYS "R" US under Certificate of Registration No. 61966, and the trademark KIDS "R" US, under Certificate of Registration No. 58604 issued by the Intellectual Property Office (formerly the Bureau of Patents, Trademarks and Technology Transfer).
- "3. Opposer has registered the trademark TOYS "R" US and the family of "R" US marks not only in its home country, the United States of America, but in other countries all over the world. As of September 1999, there are over 700 TOYS "R" US stores and over 200 KIDS "R" US stores in the United States alone. There are 439 TOYS "R" US locations worldwide including 5 stores in HongKong, 5 stores in Malaysia and 4 stores in Singapore and 6 stores in Taiwan. Some of the countries where the trademark TOYS "R" US is registered or has a pending application for registration in the name of Opposer, are: Angola, Argentina, Aruba, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Benelux, Bermuda, Bolivia, Botswana, Brazil, Brunei, Cayman Islands, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, Germany, Greece, Guatemala, Guernsey, Honduras, Hong Kong, Hungary, Iceland, Indonesia, Iran, Ireland, Israel, Italy, Jamaica, Japan, Jersey, Kazakhstan, Kenya, Kuwait, Lebanon, Liberia, Macao, Malawi, Malaysia, Malta, Mauritius, Mexico, Morocco, Netherlands Antilles, New Zealand, Nicaragua, Northern Cyprus, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Singapore, Slovak Republic, Slovenia, South Korea, Spain, Sudan, Swaziland, Sweden, Switzerland, Taiwan, Tajikistan, Tanganyika, Tangiers, Thailand, Turkey, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen, Yemen Southern, Yugoslavia, Zambia, Zanzibar.
- "4. Opposer has registered or has pending applications for registration of the mark KIDS "R" US in the following countries: Argentina, Aruba, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Benelux, Botswana, Canada, Chile, China, Costa Rica, Croatia, Czech Republic, Egypt, El Salvador, Finland, France, Germany, Greece, Guatemala, Guernsey, Hong Kong, Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Jersey, Jordan, Kazakhstan, Kuwait, Lebanon, Lesotho, Macao, Malaysia,

Malta, Mexico, Namibia, Netherlands Antilles, New Zealand, Norway, Oman, Pakistan, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Singapore, Slovak Republic, Slovenia, South Korea, Spain, Sudan, Swaziland, Sweden, Switzerland, Taiwan, Tajikistan, Thailand, Turkey, Turkmenistan, United Arab Emirates, United States, Uruguay, Uzbekistan, Venezuela, Yemen, Yugoslavia, Zimbabwe.

"5. Opposer has registered or has pending applications for registration for the mark "R" US in the following countries: Bermuda, Cayman Islands, China, Costa Rica, France, Greece, Guernsey, India, Ireland, Jersey, Malaysia, New Zealand, Peru, Singapore, Spain, United Kingdom, United States.

"6. Opposer has existing registrations for other "R" US marks such as but not limited to the following registrations issued by the United States Patent and Trademarks Office: Registration No. 1,405,364 for the mark PORTRAITS "R" US issued on August 12, 1986; Registration No. 1,417,778 for the mark COMPUTERS "R" US, issued on Oct. 14, 1986; Registration No. 1,473,595 for the mark MATHEMATICS "R" US issued on Jan 19, 1988; Registration No. 1,405,363 for the mark SHOES "R" US, issued on Aug. 12, 1986.

"7. Opposer's world-famous "R" US marks registrations and pending applications cover not only retail store services but goods related to those of Respondent-Applicant, such as coffee, tea, cocoa, rice, etc., preserved fruits, candies and biscuits. In addition, Opposer's world-famous "R" US registrations and applications cover such services as distribution of advertising materials, information and advisory for the business of selling toys, sporting equipment and children's products etc., and insurance services, etc. as well as such goods as printed matters, paper, stationery, marking chalk, crayons, ink markers, adhesive tapes for stationery, children's books, greeting cards, audio and video tapes, video games, games, toys, playthings; clothing, footwear, and headgear; microscope and scientific instruments; sporting goods and equipment; children and baby supplies; furniture; physical and chemical machines; optical machines; photographic machines and instruments; motion pictures machines and instruments; confections, bread; paper, stationery; printed matters, drawings and paintings, sculptures, photographs and accessories of these goods; time pieces, eyeglasses and parts; personal ornaments, buttons, bags, pouches; artificial flowers; toilet articles; interior furnishings; paints, paint sets, paint brushes; woven fabrics; soaps; industrial machines; bleaching preparations and other substances for laundry use.

"8. The "R" US element in Respondent-Applicant's mark FRIES "R" US is identical to the "R" US trademark owned and abandoned by the Opposer that include the "R" US component. As such, Respondent-Applicant's use and application of FRIES "R" US in connection with the services of Respondent-applicant results in a misappropriation of the fanciful component of the Opposer's trademarks, as well as of Opposer's registrations for "R" US alone.

- "9. The fanciful arrangement "R" US, the dominant part of the trade mark TOYS "R" US is owned and is being used in the United States extensively, and consequently has become well-known.
- "10. In the international scenario, and in view of the above world-wide registrations, herein Opposer is undoubtedly the true and actual owner of the internationally well-known TOYS "R" US and its unmistakable "R" US element. Hence, it would be inconsistent and unjust to have a similar trademark/tradename bearing the fanciful feature such as FRIES "R" US registered in the Philippines in the name of Ms. Christine Chua, someone unrelated to the Opposer, the true and actual owner of the well-known TOYS "R" US mark and its unmistakable "R" US element.
- "11. Opposer's mark is a strong mark as Opposer has succeeded in opposing "R" US applications for registration in various field of business and/or classes of goods. Noteworthy is the decision of the district Court of California on July 25, 1990, in the case of Geoffrey, Inc. vs. Stratton, where the said court rules that herein Opposer's long and continuous use of its registered "R" US family of marks renders the presumption of secondary meaning irrefutable. This decision was affirmed by the United States of Appeals which granted herein Opposer's prayer to enjoin Stratton from using the mark PHONES "R" US which the court found to have infringed upon Geoffrey, Inc.'s mark TOYS "R" US. In the Philippines, this Honorable Office had the occasion to decide in favor of Opposer's predecessor Toys "R" Us Inc. its exclusive right to the "R" US mark, in inter partes case no. 3775 and 3810 entitled Toys "R" Us Inc. v. Shoes "R" Us, attached herewith as Annex "C".
- "12. Aside from spending large sums of money to maintain the superior quality of TOYS "R" US products and services, Opposer's predecessor and Opposer's licensees have spent several millions of dollars to extensively promote and advertise TOYS "R" US products and services. By reason of its high quality products and services and heavy advertisements and promotion, the prominent "R" US trademark and prominent trademarks that include the dominant "R" US component has become distinctive and internationally well-known, securing for the said trademarks, tremendous valuable goodwill, fame, consumer recognition and acceptance.
- "13. Respondent-Applicant's use of the "R" US mark component constitutes a reproduction and imitation of the trade marks of Opposer since the marks are identical to the dominant "R" US component and they differ only in the prefix which is descriptive in each mark.
- "14. Respondent-Applicant's services or business are likely to confuse or deceive the purchasing public into believing that the services or business of said Respondent-Applicant are under the sponsorship of the Opposer.

Respondent-Applicant has obviously clear intentions to have a free ride on and to trade upon the popularity of the products and services sold and provided under the various "R" US trademarks, as well as the goodwill associated therewith.

- "15. The continued use of the mark FRIES "R" US by other persons like the Respondent-Applicant will definitely dilute and diminish the distinctive quality of the Opposer's internationally well-known TOYS "R" US trademark and its family of "R" US marks, especially with respect to the element as registered in the Philippines and other countries.
- "16. Respondent-Applicant has gained profits by reason of its illegal infringing act to the prejudice and damage of Opposer.
- "17. The continued commission of the acts complained of will work grave and irreparable injury to the Opposer which includes but not limited to its goodwill, and is a clear invasion of Opposer's exclusive rights to use its TOYS "R" US marks and family of "R" US marks.
- "18. Attached herewith and made integral parts of this opposition are the affidavits-direct testimonies of Louis Lipschitz and Peter Weiss."

The Notice to Answer dated September 22, 1999 was sent to the address on record of Respondent-Applicant by registered mail but service can not be validly effected because Respondent-Applicant or her representative can not be found in the given address or place. Finding the necessity to send the summons anew upon the filing by Opposer of a Motion bearing the new address of Respondent-Applicant on February 05, 2000, personal service of an Alias Notice was effected by this Office on February 22, 2000, which summons was received by Respondent-Applicant through Ms. Maricel Blanca on March 13, 2000. For failure of the Applicant to file an Answer within the prescribed period or within fifteen (15) days from receipt of aforesaid notice, Opposer moved to declare Respondent-Applicant in default and as per Order 2000-293 dated June 13, 2000, Opposer was allowed to present its evidence ex-parte.

Admitted in evidence for the Opposer based on the records are (Exhibits "A" to "XXX-5") which consisted, among others, of Certificate of Registration and pending applications for the trademarks TOYS "R" US, KIDS "R" US and other "R" US marks from different countries including major trade nations such as the United States of America (Exhibit "YY" for the mark TOYS "R" US, Exhibit "BBB" for the mark KIDS "R" US), Japan, Europe, Middle East, China, to name a few.

Offered as well are decisions from the US and other countries where it upheld Geoffrey, Inc.'s right to exclude others from appropriating the "R" US marks (Exhibits "GGG" to "GGG-3", "HHH" to "HHH-1", "UUU", "UUU-1" to "UUU-67") and bestowing to Opposer's family of "R" US marks presumption of secondary meaning. Likewise from court decisions rendered abroad and this Office, the pronouncement of exclusive right by Opposer, Geoffrey, Inc., of the subject trademarks, TOYS "R" US, KIDS "R" US, and the other "R" US marks.

For consideration in particular is the propriety of Application Serial No. 95925. Resolution by this Office called for on the issue of whether or not there is confusing similarity between Opposer's trademark, TOYS "R" US, and Respondent-Applicant's mark, FRIES "R" US;

Considering that Republic Act No. 166, as amended was the law in force at the time the subject trademark application was filed, this Office shall resolve the instant Opposition under said law so as not to adversely affect rights already acquired prior to the effectivity of the new Intellectual Property Code (R.A. 8293).

Under the said R.A. 166, as amended, more particularly Section 4 (d), it is said that:

"Section 4. Registration of trademarks, tradenames and service-marks on the principal register

--- xxx The owner of a trademark, trade-name or service mark used to distinguish his goods, business or services from the goods, business or service of others shall have a right to register the same on the Principal Register, unless it:

"xxx

"(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers."

Paramount in Opposer's marks, TOYS R' US, KIDS R' US, BOOKS R' US etc. is the element R' US. The style in which the letters are written are almost the same and the letter "R" appearing in all trademarks is inverted, the inverted "R" most illustrate or depict Opposer's mark.

The word "FRIES" in Respondent-Applicant's mark is descriptive of the article or the product of Respondent-Applicant and is not capable of exclusive appropriation being a generic word, hence, the word should be disclaimed. If a word which is required to be disclaimed is associated or added to a mark which the applicant can not exclusively appropriate, the circumstance does not bestow on the new mark distinctiveness and identity, which is a statutory requirement for trademark registration.

The trademark FRIES "R" US applied for by Respondent-Applicant although not identical with Opposer's mark TOYS "R" US will nevertheless impress upon the unwary public that they are the same or related as to source because the label presentation of Respondent-Applicant is identical with and as such may likely be mistaken to be the mark of or related to or an offshoot or a derivative of Opposer's mark. Respondent-Applicant's mark likewise constitutes the dominant part of Opposer's trademark, the dominant part being the component "R" US is present in the questioned mark. This Office takes judicial notice of the Administrative decisions marked Exhibits "WWW", "WWW1-5", "XXX". "XXX-1" to "XXX-5" where it held that the word "R" US is not generic, capable of exclusive appropriation by Opposer and is dominant, hence, not registrable by others.

Of weight are the evidence submitted by Opposer to show pending applications of Opposer's marks, TOYS R' US, KIDS R' US and the other R' US marks, used on similar and/or related goods belonging to the same class as Respondent's, which dates of application are way ahead of the application for registration of Respondent-Applicant's mark, FRIES R' US, in the Philippines which was filed on 19 October 1994. For instance, the pending applications in Japan with application no. 19334 dated 02 February 1990 (Exhibit "C-3") and in Spain with application no. 1603276 (Exhibit "C-7") dated 30 November 1990.

The Supreme Court in Emerald Garment Manufacturing Corporation vs. Court of Appeals, 251 SCRA 600, stated that: *Whether or not a trademark causes confusion and is likely to deceive the public is a question of fact which is to be resolved by applying the "test of dominancy", meaning, if the competing trademark contains the main or essential or dominant features of another by reason of which confusion and deception are likely to result, then infringement takes place; that duplication or imitation is not necessary, a similarity in the dominant features of the trademark would be sufficient.*

Likewise in the case of CoTiong Sa vs. Director of Patents, 95 Phil. 1, 4 (1954); and reiterated in Lim Hoa vs. Director of Patents, 100 Phil. 214, 216-217 (1956), the dominancy principle in trademark was formulated when it ruled that:

*"It has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Similarity in size, form and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place."*

Why would Respondent-Applicant decide to insert Opposer's R' US element if there are hundreds to select and create from an array of words, if it has no intention of riding on the popularity and goodwill established by Opposer's mark through long, continued and exclusive use?

In this regard, the Supreme Court in a long line of cases ruled thus:

"Those who desire to distinguish their goods from the goods of another have a broad field from which to select a trademark for their wares and there is no such poverty in the English language or paucity of signs, symbols, numerals etc. as to justify one who really wishes to distinguish his product from the other entering the twilight zone of or field already appropriated by another (Weco Products Co., Milton Ray Co., 143 F. 2d. 985, 32 C.C.PA. Patents 1214).

"why of the millions of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark" (American Wire & Cable Co., vs. Dir. of Patents 31 SCRA 544)

"xxx why, with all the birds in the air, and all fishes in the sea, and all the animals on the face of the earth to choose from, the defendant company (Manila Candy Co.) elected two roosters as its trademark. Although its directors and managers must have been well aware of the long continued use of a rooster by the plaintiff with the sale and achievement of its goods? xx x a cat, a dog, a carabao, a shark, or an eagle stamped upon the container in which candies are sold would serve as well as rooster for the product of defendants' factory. Why did defendant select two roosters as its trademark? (Clarke vs. Manila Candy Co., 36 Phil 100)."

On the basis of the evidence presented, there is shown clear and convincing proofs that the two (2) competing trademarks, TOYS "R" US and the other "R" US marks of the Opposer and Respondent-Applicant's FRIES "R" US are confusingly similar.

By allowing Opposer's mark, TOYS "R" US to co-exist with Respondent-Applicant's mark, FRIES "R" US, there is likelihood that the buying public may confuse or deceive Respondent-Applicant's mark to be under the sponsorship of or is associated with and under license from the family of "R" US marks of the Opposer.

A trademark application should be outrightly denied if the mark sought to be registered is confusingly similar to a mark already registered or previously used in the Philippines. In *Chuanchow Soy & Canning Co. vs. the Director of Patents*, 108 Phil. 833, no less than the Supreme Court ruled that:

"when one applies for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without opposition on the part of the owner and user of a previously registered label or trademark, this is not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and an established when an examiner of the Office of the Director of Patents directs an applicant to amend or modify the label or trademark he seeks to register by eliminating some portions thereof."

To prove that the mark TOYS R' US is widely and popularly used, Opposer presented ninety (90) trademark registrations and sixty-three (63) pending applications in seventy-five countries throughout the world (Exhibits "C", "C-1" to "C-9") and for which use of the trademark, Opposer has enjoyed international reputation and goodwill for the quality of the products they sell bearing the trademark.

Given the established goodwill and international reputation for its high quality products bearing the mark, TOYS R' US, KIDS R' US and the other R' US marks, the trademark owner is entitled to protection when the use of the junior user, a Philippine applicant, "forestalls the normal expansion of their business". It is possible that the Company or its subsidiary may venture into diverse business such as the production of goods related to those of Respondent's such as coffee, tea, cocoa, rice, etc., preserved fruits, candies and biscuits and other food items under the same class as Respondent's.

Note should be taken as well of the fact that Respondent-Applicant was validly served with summons and was afforded every opportunity to refute the claim of and/or controvert the allegations of confusing similarity between the subject trademarks if he filed an Answer but she defaulted. Obviously, therefore, pursuant to Rules of Practice in Trademark Cases, and after Opposer was allowed to present and substantiate its claim ex-parte, the case shall be decided on the basis of the evidence thus presented.

The Opposer having sufficiently corroborated its claim, there being evidence enough to convince this Office that Opposer is the first registrant, user and first adopted the mark TOYS "R" US, KIDS "R" US and the "R" US element in countries throughout the world. Necessarily therefore, Application Serial 95925 can not have any right superior to that of the trademark registrations issued in favor of Opposer.

WHEREFORE, premises considered, the Notice of Opposition is hereby

SUSTAINED. Consequently, Application bearing Serial No. 95925 filed by Christine Chua for the registration of the mark FRIES "R" US is hereby REJECTED.

Let the filewrapper of FRIES "R" US subject matter of this case be forwarded to the Administrative, Financial and Human Resource Development Services Bureau for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks for information and to update its records.

SO ORDERED.

Makati City, 21 December 2001.

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