

K MART CORPORATION
Opposer,

-versus-

SEHWANI INCORPORATED
Respondent-Applicant

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IPC NO. 4005
Opposition to :
Serial No. : 79205
Date Filed : 01-15-92
Trademark : 9 K Mini Mart

Decision No. 2001-02

DECISION

On May 18, 1994, K Mart Corporation, a corporation duly organized and existing under the laws of the United States of America, with offices at 3100 West Big Beaver Road, Troy, Michigan, 48084 U.S.A. filed this instant Opposition against the registration of the mark "9K Mini Mart & Device" under application bearing No. 79205 filed on January 15, 1992 of which application was published on page 50, Vol. VI, No. 6 of the Bureau of Patents, Trademarks and Technology Transfer Official Gazette and officially released for circulation on January 27, 1994.

The herein Respondent-Applicant is SEHWANI INCORPORATED of Pasig, Metro Manila.

The herein Opposer, Kmart Corporation filed the instant opposition believing that it would be damaged by the registration of the mark "9K MINI MART" in the name of SEHWANI INCORPORATED.

Opposer relied on the following facts to support its Opposition:

"1. Opposer is the owner and rightful proprietor of the internationally known Kmart Trademarks, Tradename & Service Marks, which are distinguished, among other, by the prefix "K" and the word "MART" ("the Kmart Marks"). The Kmart Marks are used in connection with Opposer's goods and services.

"2. Being the owner and the rightful proprietor of the Kmart Marks, Opposer effected the registration of the same in the Philippines, United States of America and in many other countries. In the Philippines, the original design of the Kmart Marks was used in the Philippines as early as 14 November 1972 and on that basis a certificate of registration was issued on 13 February 1986.

"3. By reason of Opposer's prior and continuous use of the Kmart Marks in the Philippines and abroad, the same have acquired a meaning exclusively identified with its goods and services, such as to solely indicate Opposer's goods and services.

"4. To promote Opposer's goods and services, and ensure the quality thereof, Opposer has, embarked on an advertising campaign in the Philippines.

"5. On 15 January 1992, Respondent-Applicant intentionally adopted, and fraudulently applied for registration of, the mark "9 K Mini Mart" for mini mart to take advantage of the popularity and goodwill connected with Opposer's goods and services under the Kmart Marks. There are limitless names and devices available to Respondent-applicant, yet it has ventured to adopt the mark "9 K Mini Mart" which is confusingly similar to Opposer's Kmart Marks, in particular the predominant use of the letter "K" above the word "MART" indubitably to confuse, mislead, or deceive the public into believing that the goods and services of Respondent-Applicant are those of Opposer or sponsored by Opposer.

"6. The use and adoption in bad faith by Respondent-Applicant of the mark "9 K Mini Mart" would falsely tend to suggest a connection or affiliation with the goods and services of Opposer and, therefore, would constitute a fraud on the general public, and further cause the dilution of the distinctiveness of the registered, and internationally recognized Kmart Marks, to the prejudice and irreparable damage of Opposer.

"7. The use and adoption by Respondent-Applicant of the mark "9 K Mini Mart", which is confusingly similar to the Kmart Marks, in particular the predominant use of the letter "K" above the word "MART" constitute an unlawful appropriation of marks previously used in the Philippines and not abandoned. Accordingly, Application serial No. 79205 filed by Respondent-Applicant for the registration of the mark "9 K Mini Mart" is in violation of Section 4 (d) of Republic Act No. 166, as amended.

On November 7, 1994, the Respondent-Applicant filed its answer to the Notice of Opposition denying the grounds for opposition, and alleging the truth as follows:

- "a.) The approval of Application Serial No. 79205 is fully in accordance with Section 4 (d) of Republic Act No. 166, as amended. At the time of filing of said application, the trademark 9K MINI MART was neither registered nor used in lawful commerce in the Philippines by any other person beside the Respondent-Applicant.
- "b.) The said trademark is distinctly different from that being used by the Opposer, and that the Respondent-Applicant, in its own right is entitled to register the trademark 9K MINI MART in its favor pursuant to law. Further, since Respondent-Applicant is the rightful owner of the trademark 9K MINI MART, registration of the said mark in its favor cannot and will not in any way cause grave nor irreparable damages and injury to Opposer;
- "c.) x x x
- "d.) Respondent-Applicant adopted and used the trademark 9K MINI MART in good faith;
- "e.) With respect to the issue of confusing similarity with the cited mark KMART, it is submitted that due to the distinctly different marks, such issue can never happen;
- "f.) Nobody, without exception, has come forward to claim that he/she has been confused, mistaken, or deceived by the use of the trademark 9K MINI MART by Respondent-Applicant."

The issue having been joined, this Office called this case for Pre-Trial. Failing to reach amicable settlement, the parties went into trial, adduced testimonial and documentary evidences and, together with their respective memoranda, submitted the case for decision.

The issue to be resolved in this case is: WHETHER OR NOT there exists confusing similarity between the Respondent-Applicant's trademark "9K MINI MART" and the Opposer's mark "K-MART".

The applicable provision is Section 4 paragraph (d) of R.A. No. 166 as amended which provides:

"Section 4. Registration of trademarks, tradenames and service marks on the Principal Register. There is hereby established a register of trademarks, tradenames and service marks which shall be known as the principal register. The owner of a trademark, tradename, or service mark used to distinguish his

goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register unless it:

xxx

(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename 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."

A cursory review of the documentary exhibits indicate that both service marks contain the letter "K" and the word "MART" although the same is disclaimed by both parties as it is not capable of exclusive appropriation by any individual or entity. They differ only in the presence of the numerical number "9".

To be noted is the fact that Opposer's service mark "KMART and LOGO" has been registered with the Philippine Patent Office since February 13, 1986 under Reg. No. 35305 (Exhibits "A-1"), Reg. No. 38271 issued February 24, 1988 (Exhibit "A-2"), Reg. No. 57618 issued April 5, 1994 (Exhibit "A-3"), and Reg. No. 59700 issued March 8, 1991 (Exhibit "A-4").

Further, the records will show that Opposer's service mark "KMART & LOGO" has likewise been registered in its country of origin, United States of America as early as in 1963 and in many countries of the world.

Whether or not a trademark causes confusion and is likely to deceive the public is a question of fact which is resolved by applying the "TEST OF DOMINANCY".

In applying the test of dominancy, it is imperative to analyze and compare the general features and components of the two competing service marks.

The Opposer's servicemark "K MART" consists of the "big letter K" and with the word Mart written in it, which is disclaimed.

On the other hand, Respondent-Applicant's servicemark "9K Mini Mart" consists of the number "9" and the big letter K" and underneath written the words "MINI MART", which are disclaimed.

After comparison, the inescapable conclusion is that, the dominant feature of the Opposer's servicemark is the "big letter K" which is likewise present in Respondent-Applicant's servicemark.

Moreover, Respondent's mark "9K Mini Mart & Logo" is used on MINI MART SERVICES which is likewise covered by the Opposer's mark "K MART & LOGO" such as clothing and Retail Department Store services under classes 25 and 42 of the International Classification of Goods and Services and therefore, related to those of the Respondent-Applicant. Clearly, Respondent's servicemark "9K Mini Mart & Logo" is confusingly similar to Opposer's servicemark "K MART & LOGO".

It has been ruled by the Supreme Court in several cases that when a mark is registered, it can no longer be a subject of appropriation by any third party if the goods are similar or related to the goods/products specified in the certificate of registration.

The Supreme Court in the case of Philippine Nut Inc., vs. Standard Brands Incorporated, et. Al. 65 SCRA 575, 579, stated thus:

"In cases involving infringement of trademark brought before the Court, it has been consistently held that there is infringement of trademark when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity; 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 trademarks contain the main or essential or dominant features of another by reasons 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 trademarks would be sufficient." (CO TIONG SA vs. DIRECTOR OF PATENTS, 1954, 94 Phil 1, citing viz Clarks vs. Manila Candy Co. 36, Phil. 100; ALHAMBRA CIGAR & CIGARETTE CO. vs. JAO OGE, 47 PHIL. 75, ETEPHA A.G. vs. DIRECTOR OF PATENTS and WESTMONT PHARMACEUTICALS INC., NO. L-20635, March 31, 1966, 16 SCRA 495)

In connection with the use of a confusingly similar or identical mark, it has been 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 products from those of all others entering the twilight zone of a field already appropriated by another," (WEO PRODUCTS CO. vs. MILTON RAY CO., 143 F. 2d, 985 32 C.C. P.A. PATENTS 1214)

"Why of the million 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. DIRECTOR OF PATENTS, 31 SCRA 544)

"xxx Why, with all the birds in the air, and all the 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? xxx 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 a rooster for the product of defendant's factory. Why did defendant select two roosters as its trademark?" (CLARKE vs. MANILA CANDY CO., 36 PHIL. 100)

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 any 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 established goodwill. (Chuan Chow Soy & Canning Co. vs. Director of Patents and Villapanta, 108 Phil. 833, 836)

WHEREFORE, premises considered, the opposition is SUSTAINED. Service mark application bearing serial No. 79205 for the registration of "9K Mini Mart & LOGO" filed on February 15, 1992 by SEHWANI INCORPORATED used on mini mart is, as it is hereby, REJECTED.

Let the filewrapper of 9 K Mini Mart, subject matter of this case be forwarded to the Administrative Financial Human Resource Development Service Bureau (AFHRDSB) for

appropriate action in accordance with this decision, with a copy furnished the Bureau of Trademarks for information and to update its record.

SO ORDERED.

Makati City, July 26, 2001.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs