

SNAK KING CORPORATION	}	IPC No. 14-2001-00050
Opposer	}	Opposition to:
	}	
-versus-	}	Application Serial No. 95664
	}	Date Filed: October 4, 1994
	}	
JO-NA'S INTERNATIONAL	}	Trademark: "SNAK KING and
PHLS., INC.,	}	CROWN DEVICE"
Respondent-Applicant,	}	
x-----x	}	Decision No. 2004-08

**DECISION**

This is an Opposition filed by Snak King Corporation, hereinafter called the "Opposer", a corporation duly organized and existing under the laws of the State of Delaware, United State of America, with address at 16150 E. Stephens Street, City of Industry, State of California 91745, United States of America, against Application Serial No. 95664 for the trademark "SNAK KING and Crown Device" for goods under Class 30 filed on October 4, 1994 by Jo-na's International Phils., Inc., which application was published on page 49, Volume IV No. 4, last June 27, 2001 of the Intellectual Property Office Official Gazette.

Opposer anchored its opposition on the following grounds:

- "1. The trademark "SNAK KING and Crown Device" claimed by Respondent-Applicant is identical in all respects, with the Opposer's trademark "SNAK KING", a well-known mark, registered in the name of SKC in the United States, among other countries, as to be likely, when applied to or used in connection with the goods of the Respondent-Applicant, to deceive or cause confusion on the buying public. In particular, the Respondent-Applicant's use of the trademark "SNAK KING and Crown Device" would indicate, in regard to the goods of the Respondent-Applicant, a connection or relation of sponsorship with the Opposer and likely cause confusion as to source and origin;
- "2. The registration of the trademark "SNAK KING and Crown Device" in the name of the Respondent-Applicant will violate Section 123.1, subparagraph (e) and Section 131.1 of the IP Code, Republic Act No. 8293;
- "3. The registration by Respondent-Applicant of the trademark "SNAK KING and Crown Device" will diminish the distinctiveness and dilute the goodwill of Opposer's mark "SNAK KING", an internationally well-known mark which the Opposer has been using in commerce even before December 19, 1992, which is the date of first use claimed by the Respondent-Applicant for "SNAK KING and Crown Device";
- "4. The registration of the trademark "SNAK KING and Crown Device" in the name of the Respondent-Applicant is contrary to other provisions of the IP Code, treaty obligations of the Philippines and well-settled jurisprudence on the matter.

To support the opposition, Opposer relied on the following facts:

- "i) Opposer is the registrant and applicant in trademark offices or authorities abroad for the trademark "SNAK KING". Copies of the certificates of

registration in the name of the Opposer for "SNAK KING" are attached hereto collectively as Annex "A". Opposer has used the trademark "SNAK KING" for products included in Class 30;

- "ii) Opposer is the first user in the Philippines of the trademark "SNAK KING" and used the same in commerce before the Applicant's claimed first date of use for "SCOOBIE";
- "iii) On account of Opposer's international use in commerce of the trademark "SNAK KING", consumers who see a mark like "SNAK KING & Crown Device" on Applicant's goods are likely to be misled into believing that Applicant's products originate from, or are licensed by or are under the sponsorship of the Opposer. Said use, by which a connection between Applicant's goods and those of the Opposer is suggested, will undoubtedly cause damage to the interests of the Opposer as the prior user and owner of the mark "SNAK KING";
- "iv) The trademark "SNAK KING" has established valuable international goodwill for the Opposer among consumers who have identified the Opposer as the source of quality products in Class 30, which covers snack food;
- "v) The registration and use of a similar trademark by the Applicant will tend to deceive and/or confuse purchasers into believing that Applicant's products emanate from, are licensed by, or are under the sponsorship of the Opposer, for the following reasons:
  - "1.) the subject trademark is, in all aspects, identical;
  - "2) the marks are applied on identical goods;
  - "3) the Opposer is engaged in the licensing of its trademark "SNAK KING" to businesses or entities that are in direct competition with the Applicant;
  - "4. the applicant's goods are in the area of natural expansion for the owner of an established trademark, like Opposer's "SNAK KING";
  - "5) the goods on which the mark as used bought by the same class or age group of purchasers and flow through the same channels of trade".

Applicant obviously intends to trade, and is actually already trading, on the international goodwill and reputation of the Opposer;

- "vi) The registration and use of an identical trademark by Applicant will diminish the distinctiveness and dilute the goodwill of the Opposer's trademark."

The issues to be resolved in this case are:

- A. Whether or not the trademark SNAK KING & CROWN Device subject of the opposed application is confusingly similar and/or identical to the trademark owned and registered in the name of the Opposer; and
- B. Whether or not the trademark SNAK KING of Opposer is a well-known mark.

On the first issue of whether the trademark SNAK KING & Crown Device is confusingly similar and/or identical to Opposer's SNAK KING, the record shows that the subject application is for the trademark "SNAK KING & Crown Device" for pork rinds covering goods under class 29 applied for by Respondent-Applicant Jo-Na's International Phils., Inc. which appear as follows:



During the hearing of the case, Opposer presented Exhibits "B", "C" and "D". These exhibits show the Opposer's mark as "SNAK KING" with a crown device for pork rinds, among other goods, under Classes 29 and 30. The mark of the Opposer appears as follows:



In *Recoro v. Embisan*, the Supreme Court pronounced that where a comparison between two trademarks show such resemblance in the general appearance or general features of both as would likely deceive the ordinary purchaser exercising ordinary care, and to induce him to believe that the goods bearing the marks are products of one and the same enterprise, the junior mark is confusingly similar to the other.

A comparison of the mark of the Opposer and the mark of Respondent-Applicant covered by the subject application would reveal that:

	Opposer's mark (Exh. C-2)	Applicant's mark (Exhibit Q-1)
Word mark used	"Snak King"	"Snak King"
Name of font or lettering used for the word mark	Clarendon True Type	Clarendon True Type
Device used	Crown with 5 points	Crown with 5 points
Special feature in crown device	The word mark "Snak King" is etched inside the crown	The word mark "Snak King" is etched inside the crown
Location of crown device	The crown device is placed in between the words "Snak" and "King"	The crown device is placed in between the words "Snak" and "King"
Goods	Pork Rinds	Pork Rinds

The foregoing comparison glaringly shows that both marks do not merely resemble but are in fact identical to one another.

Having compared the two competing marks of Respondent-Applicant and the Opposer and finding that they are not only confusingly similar but identical, the next issue this Office had

to resolve is, who between Opposer and Respondent-Applicant has a better right over the trademark SNAK KING.

Section 2-A of Republic Act 166 as amended provides as follows:

“Section 2-A. *Ownership of trademarks, tradenames and service marks, how acquired.* – Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trademark, a tradename, or a service mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business or service of others. The ownership or possession of a trademark, tradename, service mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the laws.”

Herein Opposer established by evidence through the Affidavit of Bary C. Levin who is the President and Chief Executive Office of Snak King Corporation that as early as 1990, Opposer sold snack items including pork rinds in the Philippines through its distributor Maycar Foods and had a total sales of 4, 315, 000 bags of snack products or equivalent to US\$2, 013, 000 in gross sales. This volume of sales by the Opposer demonstrates the goodwill and reputation attached to the Opposer’s mark among the local suppliers and consumers of the pork rind trade.

On the other hand, Respondent-Applicant, in its application, stated that it first used the mark attached to its goods in the Philippines on December 19, 1992. Be it noted however, that Respondent-Applicant was declared in Default for failure to file its Answer to the Notice of Opposition as per Order No. 2002-147 dated April 15, 2002, hence, in the absence of evidence supporting the date of first use of the trademark SNAK KING & Crown Device as stated in the application, Respondent-Applicant’s first use of the mark will be limited only to its filing date, October 4, 1994, in accordance with Rule 173 of the Rules of Practice in Trademark Cases.

This actual prior use by the Opposer had given it right to ownership of the trademark “SNAK KING” in this jurisdiction. The Supreme Court, in *Kabushiki Kaisha Isetan v. Intermediate Appellate Court* said that actual use in commerce or business is a prerequisite to the acquisition of the right of ownership over a mark.

Similarly, in *Asari Yoko Co., Ltd. v. Kee Boc*, the Supreme Court ruled that a Japanese corporation which had acquired prior use in the Philippines of the trademark “RACE” for men’s shirts and undershirts, but which had not shown prior registration thereof, successfully maintained a suit opposing the application of the defendant, a local businessman, to register the same trademark for similar goods produced by him. The lawful entry into the Philippines of goods bearing the trademark since 1949 should entitle the owner of the trademark to the right to use the same to the exclusion of others. Modern trade and commerce demands that depredations on legitimate trademarks of non-nationals should not be countenanced. It may be added here that the law against such depredations is not thereof but also, and more importantly, for the protection of the purchasers from confusion, mistake or deception as to the goods they are buying.

Having had right of ownership over the mark SNAK KING, Opposer should have the protection granted by the law. Relative to this, Section 4(d) of Republic Act No. 166 as amended provides:

“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 services of others shall have the right to register the same on the principal register, unless it:

x x x

(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 services of the applicant, to cause confusion or mistakes or to deceive purchasers.”

Opposer, having clearly proven that its mark is identical and confusingly similar to Respondent-Applicant’s trademark, that both marks covers goods belonging to the same class and that it is the rightful owner of the mark SNAK KING & CROWN Device, thus, it can validly oppose the registration of the subject application.

On the second issue of whether the trademark SNAK KING of Opposer is a well known mark, the Supreme Court, in *La Chemise Lacoste S.A. VS. Fernandez*, had ruled that the Philippines adheres to the Paris Convention, which its Article 6bis provides:

“(1) *The countries of the Union undertake, either administratively if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.*”

The application of the Article 6bis was explained and expounded by the Court in *Canon Kabushiki Kaisha vs. Court of Appeals*, thus:

“However, the then Minister of Trade and Industry, the Hon, Roberto V. Ongpin, issued a Memorandum dated 25 October 1983 to the Director of Patents, as set of guidelines for the implementation of Article 6bis of the Treaty of Paris, These conditions are:

- a) The mark must be internationally known;
- b) The subject of the right must be a trademark, not a patent or copyright or anything else;
- c) The mark must be for use in the same or similar kinds of goods; and
- d) The person claiming must be the owner of the mark (The Paris Convention Commentary on the Paris Convention. Article by Dr. Bogsch, Director General of the World Intellectual Property Organization, Geneva, Switzerland, 1985).”

To support the position that its mark is well-known internationally, Opposer presented the following evidence, to wit: Affidavit of Barry C. Levin, President and CEO of Snak King stating that the worldwide sales of “Snak King” trademarked products and income over an 11-year period from 1990 through 2001 amounted to Eight Hundred Million bags generating sales of Three Hundred Five Million US Dollars; Trademark Registrations in the United States of America with a claim of first use dating back on May 31, 1978, (Exhibits “B”, “C”, “D”, and their sub-markings); Trademark Registrations in Mexico, (Exhibits “F”, “G”, and their sub-markings); Trademark Registration in Canada (Exhibit “E” and its sub-markings); Internet web pages showing “Snak King” has a home web page and are linked to and mentioned in other web sites which can be accessed worldwide (Exhibits “I”, “K”, “M”, “N”, “O”, “P”, and their sub-markings;

Articles in magazines and publications showing the extent of operation, commercial success of Snak King Corporation, volume of sales, and reputation, goodwill and well-known status of the Opposer's "Snak King" mark (Exhibits "S", "T", and their sub-markings). Furthermore, Opposer presented an article from the Los Angeles Times dated July 6, 1999, and to quote:

"Snak King Corp., with S55 million in annual sales, has a simple philosophy when it comes with market leader Frito-Lay Inc.

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Snak King, which entered the snack business 20years ago with pork rinds [or chicharon], has expanded its line to include such snacks as potato ships, pretzels, caramel corn, trail mixes and dried fruit mixes."

Finally, to prove that it has a reputation as one of the biggest producers in its line of business, as excerpt of an article from Baking & Snack, October 1996, a magazine for snack products, may be quoted, thus:

*"Snak King started with a single product and now lists more than 700 SKU's on its product inventory. The company counts itself among the largest producers of pork rinds extruded snacks today.*

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*Entrepreneurial thinking serves the company well. In 1994, Snak King was a finalist for Entrepreneur of the year, an award sponsored by Inc. magazine and the Ernst & Young accounting firm."*

The foregoing documentary exhibits prove that the trademark "SNAK KING" by the Opposer is a well-known trademark that is registered in different countries worldwide and that it was actually used by the Opposer several years ahead of the Respondent-Applicant for the same type of food products and is therefore entitled to the protection of Article 6bis of the Paris Convention. Therefore, on the basis of the foregoing discussions, the application for the registration of SNAK KING & CROWN Device filed by the Respondent-Applicant should be rejected.

WHEREFORE, premises considered, the instant Opposition is hereby SUSTAINED. Accordingly, the trademark application filed by Respondent-Applicant Jo-Na's International Philippines, Inc. on October 4, 1994 for the mark "SNAK KING and Crown Device" bearing Application Serial No. 95664 is, as it is hereby, REJECTED.

Let the filewrapper of SNAK KING & CROWN Device subject matter of the above-captioned case be forwarded to the Administrative, Financial and Human Resources Development Services Bureau (AFHRDSB) for appropriate action in accordance with this Decision with a copy thereof to be furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.

Makati City, 1 April 2004.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs