

STARBUCKS CORPORATION,	}	IPC No. 14-2005-00089
Opposer,	}	Opposition to:
	}	
-versus-	}	Serial No. 4-2001-003674
	}	Date Filed: 28 May 2001
PT EXELSO MULTI RASA,	}	
Respondent-Applicant.	}	Trademark: "FRAPPIO"
x-----x	}	Decision No. 2006-98

DECISION

This pertains to the Notice of Opposition to the application for registration of the mark "FRAPPIO" bearing Application Serial No. 4-2001-003674 filed on May 28, 2001 for goods falling under Class 30 namely, coffee, tea, cocoa, sugar, artificial coffee, bread, pastry and confectionery, ice, ices, cakes, which application was published for opposition in the Intellectual Property Office Electronic Gazette, officially released for circulation on 11 April 2005.

The Opposer in the above-entitled case is STARBUCKS CORPORATION (doing business as Starbucks Coffee Company), a company organized under the laws of the State of Washington, U.S.A., having a principal place of business at 2401 Utah Avenue South Seattle, Washington, 98134, U.S.A.

Respondent-Applicant, on the other hand, is PT EXELSO MULTI RASA, with address on record at JL Taman Jatibaru Barat No. 1-3 Jakarta Pusat, Indonesia.

Accordingly, the grounds for opposition are as follows:

"1. The registration of the mark subject of this opposition is contrary to the provisions of Sections 123.1 (d), (e) and (f) of Republic Act No. 8293, as amended, which prohibit the registration of a mark that:

"(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- i. The same goods or services, or
- ii. Closely related goods or services, or
- iii. If it nearly resembles such a mark as to be likely to deceive or cause confusion;

"(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public rather than the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

"(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those

goods and services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use.

“2. The Opposer is the owner of the mark FRAPPUCCINO which has been registered and applied for registration in the Opposer’s name with the Intellectual Property Office in various classes. The following are the particulars of the registration and application for registration of the FRAPPUCCINO mark in the Philippines:

<u>Registration No.</u>	<u>Date Issued</u>	<u>Classification of Goods/Services</u>
4-2001-006892	16 April 2004	18, 25, 32, 42

Applications:

<u>Application No.</u>	<u>Date Filed</u>	<u>Classification of Goods/Services</u>
4-1996-105760	05 February 1996	30
4-1999-010021	28 December 1999	30
4-2004-012148	23 December 2004	29
4-2004-012149	23 December 2004	43

“3. The Respondent-Applicant’s mark is confusingly similar to the Opposer’s FRAPPUCCINO mark as to be likely to deceive or cause confusion. Hence, the registration of the Respondent-Applicant’s mark will be contrary to Section 123.1 (d) of Republic Act No. 8293.

“4. Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, which provides:

“Section 3. International Conventions and Reciprocity. – Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.

The Opposer is domiciled in the United States of America. Both Indonesia and the United States of America are members of the Paris Convention for the Protection of Industrial property. The Paris Convention provides that:

“Article 6bis

(1) The countries of the Union undertake, ex officio 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 considered by

competent authority of the country of registration or use to be well known in that country as being the mark of a person entitled to the benefits of this Convention and used for identical or similar goods x x x.

“Article 10bis

(1) The countries of the Union are bound to assure nationals of such countries effective protection against unfair competition.

“5. The Opposer’s FRAPPUCCINO mark is a well-known and world famous mark. Hence, the registration of the Respondent-Applicant’s mark will constitute a violation of Articles 6bis and 10bis of the Paris Convention in conjunction with Sections 3, 123.1 (e) and 123.1 (f) of Republic Act No. 8293.

“6. The use by the Respondent-Applicant of the FRAPPIO mark will mislead the purchasing public into believing that the Respondent-Applicant’s goods are produced by, originate from, or are under the sponsorship of the Opposer.

“7. The denial of the application subject of this opposition is authorized under other provisions of Republic Act No. 8293.

In support of the above opposition, Opposer relied on the following facts and circumstances with reservation of the right to present additional evidences in the course of the proceedings, to with:

“1. The Opposer is the owner of the FRAPPUCCINO mark, which has been registered and applied for registration in the name of the Opposer in the Philippines and in the other countries.

“2. The Opposer has been commercially using the FRAPPUCCINO mark in the Philippines and internationally prior to the filing date of the application subject of this opposition.

“2.1 The well-known use of the FRAPPUCCINO mark in commerce by the Opposer began at least as early as 1991 in the United States of America and has been continuous, famous and uninterrupted ever since then.

“2.2 In the Philippines, goods bearing the FRAPPUCCINO mark have been sold as early as December 1997.

“3. By reason of spelling, pronunciation and appearance, the mark applied for registration by the Respondent-Applicant is confusingly similar to the Opposer’s FRAPPUCCINO mark.

“4. The Opposer has not abandoned the FRAPPUCCINO mark and constitutes to use it in trade and commerce in the Philippines and in other countries.

“5. Bu virtue of the prior and continuous use by the Opposer of the FRAPPUCCINO mark in the Philippines and other parts of the world, the mark has become popular and internationally well-known and has established for the Opposer valuable goodwill with the public which has identified the Opposer as the source of goods bearing the said mark.

“6. The Opposer has also extensively promoted the FRAPPUCCINO mark worldwide.

“6.1 Over the years, the Opposer has obtained significant exposure for its goods upon which the FRAPPUCCINO mark is used, in various media including television commercials, outdoor advertisements, internationally well-known print publications, and other promotional events. The Opposer also maintains an Internet site at the domain www.frappuccino.com, which can be readily accessed by internet users.”

Upon the filing of the Opposer’s Verified Notice of Opposition on August 9, 2005, a Notice to Answer was subsequently issued and was duly received by the Respondent-Applicant on September 2, 2005 requiring the latter to file its Answer to the Notice of Opposition within fifteen (15) days from receipt of the notice.

In the advent of Office Order No 79, which took effect on September 1, 2005, the above-entitled case was subsequently covered by the summary rules thus, a Notice to Comply with Office Order No. 79 was issued wherein the parties were directed to file their respective evidences in compliance with the provisions of Office Order No. 79.

Opposer duly filed its Compliance with Office order No. 79 on June 5, 2006 consisting of the following documentary exhibits:

EXHIBIT	DESCRIPTION
“A”	Affidavit of David M. Landau
“B”	Notice of Opposition

Respondent-Applicant, on the other hand, did not submit its Answer of any evidence in compliance with Office Order No. 79 despite receipt of the Notice.

On July 20, 2006, Opposer duly filed its position paper hence, this case is now deemed submitted for decision on the basis of the opposition and other documentary evidences submitted by the Opposer.

The main issue for resolution is:

Whether or not Respondent-Applicant is entitled to the registration of the mark FRAPPIO.

Considering that the trademark application being opposed was filed on May 28, 2006 or during the effectivity of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, this case shall be resolved on the basis of Section 123.1 (d) of R.A. 8293, which provides that:

“Section 123. *Registrability.* – 123.1. A mark cannot be registered if it:

x x x

“(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

x x x”

Relying on the above quoted provision, a question may be asked: Is Respondent-Applicant’s mark FRAPPIO confusingly similar with Opposer’s FRAPPUCCINO mark entitled to the registration of the same?

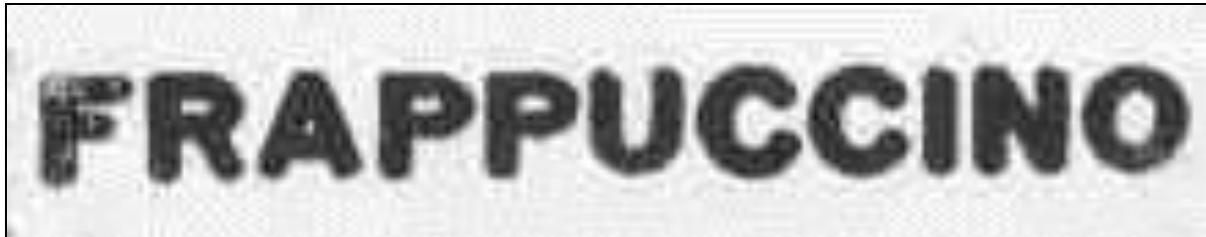
This Bureau answers in the negative.

In determining whether the trademarks are confusingly similar, a comparison of the words is not the only determinant factor. The trademarks in their entirety as they appear in their respective labels or hang tags must also be considered in relation to the goods to which they are attached. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing on both labels in order that he may draw his conclusion whether one is confusingly similar to the other.

In the *Etepha Case*, the Supreme Court likewise ruled that a practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be undertaken from the viewpoint of prospective buyer. The trademark complained of should be compared and contrasted with the purchaser’s memory of the trademark said to be infringed.

Applying the same in the instant case, this Bureau holds that the foregoing tenets support the finding of no confusing similarity between the marks FRAPPUCCINO and FRAPPIO of the Opposer and Respondent-Applicant, respectively.

To substantiate the said finding, the marks of the Opposer and Respondent-applicant are hereby reproduced for purposes of comparison:



Opposer’s mark



Respondent-Applicant’s mark

An examination of the marks itself confirms the finding that there are striking differences between the two labels which preclude the possibility of the purchasing public confusing one product with the other. Thus, with respect to the font size and style of lettering, it is apparent that they are dissimilar considering that Opposer’s FRAPPUCCINO mark was all written in capital letters while that of Respondent-Applicant’s FRAPPIO mark was written in small letters with only the first letter *F* written in capital and in italics form. Likewise, as to pronunciation and sound,

there is no question of confusing similarity. Opposer's FRAPPUCCINO mark consists of four (4) syllables namely, *FRAP-PU-CCI-NO* while that of Respondent-Applicant's FRAPPIO mark consists only of two syllables, *FRAP-PIO*. As to their sound, while both start with the word *FRAP*, Opposer's mark ends with *CCINO* while that of Respondent-Applicant's mark ends with *PIO*. In short, the general appearances of the marks are so distinct from each other as to cause confusion to the buying public.

In the instant case, it is also undeniable that the Opposer's FRAPPUCCINO mark and that of Respondent-Applicant's FRAPPIO mark both contain the prefix *FRAP* which originated from the word *FRAPPE* meaning an iced and flavored semi liquid mixture served in glasses; an after dinner drink liqueur served in a cocktail glass over shaved ice; a thick milk shake.

In the same *Etepha* case, which is controlling in the issue at hand, the Supreme Court has ruled that:

"x x x And appropriately to be considered now is the fact that, concededly, the "tussin" (in Pertussin and Atussin) was derived from the Latin root word "tussis" meaning cough. "Tussin" is merely descriptive; it is generic; it furnishes to the buyer no indication of the origin of the goods; it is open for appropriation by anyone. It is accordingly barred from registration as trademark. With jurisprudence holding the line, we feel safe in making the statement that any other conclusion would result in appellant having practically a monopoly of the word "tussin" in a trademark. While "tussin" by itself cannot thus be used exclusively to identify one's goods, it may properly become the subject of a trademark by combination with another word or phrase and this union of words is reflected in petitioner's Pertussin and respondent's Atussin, the first with prefix "Per" and the second with prefix "A"."

Applying the above ruling, it is proper to say that the word *FRAP* cannot be appropriated by the Opposer alone considering that it is generic or merely descriptive of a kind of food or beverage. At most, it is open for appropriation by anyone and is accordingly barred from registration as a trademark. Practically, no one has the right to monopoly of the word *FRAP* to be used exclusively to identify one's goods or services. As has been ruled by the higher court, the word *FRAP* may only become the proper subject of a trademark when combined with another word or phrase as what was done by the Opposer and Respondent-Applicant's mark with the union of the words *FRAP* and *PUCCINO* for Opposer and *FRAP* and *PIO* for Respondent-Applicant.

In view thereof, Opposer's Notice of Opposition must perforce be DENIED.

However, this Bureau cannot take for granted the inaction of Respondent-Applicant in defending its right, if any, over the trademark FRAPPIO which is indicative of Respondent-Applicant's lack of concern in protecting its mark, contrary to the provision of Section 3(d) Rule 131 of the Rules of Court that "a person takes ordinary care of his concern." Such inaction of the Respondent-Applicant is indicative of its lack of interest over the mark in dispute and is tantamount to laches on the part of Respondent-Applicant, which maybe considered and applied in all Inter Partes Proceedings, in accordance with Sec. 230 of R.A. 8293 which provides that:

"Sec. 230. *Equitable Principles to Govern Proceedings.* – In all inter partes proceedings in the Office under this Act, the equitable principles of laches, estoppel, and acquiescence where applicable, may be considered and applied."

It will be noted that despite receipt of the Notice issued by this Bureau, Respondent-Applicant neither filed its Answer nor any compliance thereto, contrary to the declared policy of the Supreme Court to the effect that "it is precisely the intention of the law to protect only the vigilant, not those guilty of laches."

IN VIEW THEREOF, Application bearing Serial No. 4-2001-003674 filed by Respondent-Applicant PT EXELSO MULTI RASA on May 28, 2001 for the registration of the mark FRAPPIO used for coffee, tea, cocoa, sugar, artificial coffee, bread pastry and confectionery, ice, ices, cakes is, as it is, hereby considered ABANDONED by Respondent-Applicant.

Let the filewrapper of FRAPPIO, subject matter of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 27 September 2006.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs