



STARBUCKS CORPORATION,
Opposer,

-versus-

CAFÉ DE MANILA CORPORATION,
Respondent-Applicant.

X-----X

}
} IPC No. 14-2012-00057
} Opposition to:
} Appln. Serial No. 4-2011-000707
} Date Filed: 21 January 2011
} **TM: THE FRAP BAR**
} **Everyone Deserves Frap**
} **and Design™**

NOTICE OF DECISION

FEDERIS & ASSOCIATES LAW OFFICES
Counsel for Opposer
2005 88 Corporate Center
141 Valero cor. Sedeno Sts., Salcedo Village
Makati City

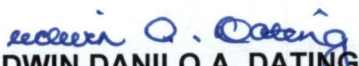
**DEFENSOR LANTION BRIONES VILLAMOR
& TOLENTINO LAW OFFICES**
Counsel for Respondent-Applicant
Suite 2604-A, East Tower, Philippine Stock Exchange Center
Exchange Road, Ortigas Business Center
1605 Pasig City

GREETINGS:

Please be informed that Decision No. 2014 - 224 dated September 16, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 16, 2014.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



STARBUCKS CORPORATION,
Opposer,

-versus-

CAFÉ DE MANILA CORPORATION,
Respondent-Applicant.

}IPC NO. 14-2012-00057

}Opposition to:

}Appln. Ser. No. 4-2011-000707

}Date Filed: 21 January 2011

}Trademark: **THE FRAP BAR**

}Everyone Deserves Frap and Design

x-----x}Decision No. 2014- 224

DECISION

STARBUCKS CORPORATION., (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2011-000707. The application, filed by CAFÉ DE MANILA CORPORATION. (Respondent-Applicant)², covers the mark “THE FRAP BAR Everyone Deserves and Design”, for use on “Coffee” under Class 30 of the International Classification of Goods³.

The Opposer anchors its opposition on the following grounds:

“a. The impugned trademark seeks to protect the word ‘FRAP’ which is the prefix and the dominant element of FRAPPUCCINO, a trademark which Opposer has already registered, used and made famous in connection with coffee, and hence, Respondent-Applicant’s application must be rejected under Sections 147.1 and 147.2 of the IP Code, and rulings of this Hon. Office protecting the dominant elements of a registered mark.

“b. Since the relevant consumers habitually utter the word ‘FRAP’ when ordering Opposer’s FRAPPUCCINO beverages, registration of the subject mark will likely cause confusion and deception as to source, origin and quality of the goods in violation of Section 123.1 (g) of the IP Code.

“d. Respondent-Applicant employs the word ‘FRAP’ to pass off its coffee beverages as those of Opposer, and thus, if the impugned mark is registered, Respondent-Applicant will unfairly profit commercially from the goodwill, fame, and notoriety of Opposer’s FRAPPUCCINO beverages, contrary to Section 168.1 of the IP Code.

“e. Even assuming for the sake of argument that the FRAP element is not subject of independent protection arising from the registration of

¹ A corporation organized and existing under the laws of the State of Washington, United States of America with business address at 2401 Utah Avenue South, Seattle, Washington 98134, U.S.A.

² A domestic corporation with address at G/F Atlanta Centre, Greenhills, San Juan City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

FRAPPUCCINO, it cannot be registered anyway because FRAP is generic for beverages, the phrase 'the frap bar' is non-distinctive for a bar that serves beverages, and therefore, not capable of registration under Section 123.1(h) of the IP Code and the well-settled principle as pronounced in Asia Brewery, Inc. v. Court of Appeals, et al."

To support its opposition, the Opposer submitted as evidence the following:

1. Decision dated 17 June 2004 of the Court of Munich in Case No. 6 U 4555/03;
2. Decision dated 23 May 2003 of the Office of the Harmonization in the Internal Market in Case R 299/2002-4;
3. Decision in Action No. 11917 entitled Starbucks Corporation dba Starbucks Coffee Company v. 1. Lokovos Photiades Foodstuff suppliers Ltd., of Nicosia 2. Xuxu Limited of Lanarca;
4. Notarized and Authenticated Affidavit of Lucy Lee Helm dated 5 April 2012;
5. Notarized and Authenticated Special Power of Attorney dated 5 April 2012;
6. Copies of Certificates of Trademark Registration for the mark "FRAPPUCCINO" in classes 30, 32, 42, 43, 29, 18, 25 in the following countries: Argentina, Austria, Cambodia, Canada, China, Hong kong, India, Indonesia, Japan, Pakistan, Russia, Korea and Thailand;
7. Database lists of applications and registrations for the mark "FRAPPUCCINO";
8. Advertisements featuring "FRAPPUCCINO" magazines circulated in the Philippines;
9. Print-out of Opposer's STARBUCKS websites;
10. Photograph's of Opposer's STARBUCKS stores in the Philippines;
11. Affidavit of Cesar J. Poblador dated 23 April 2012;
12. Certified true copy of Philippine trademark Registration No. 4-1996-105760 issued on 30 October 2004 for the mark "FRAPPUCCINO";
13. Certified true copy of Philippine trademark Registration No. 4-1999-010021 issued on 10 March 2006 for the mark "FRAPPUCCINO";
14. Certified true copy of Philippine trademark Registration No. 4-2001-006892 issued on 16 April 2004 for the mark "FRAPPUCCINO";
15. Certified true copy of Philippine trademark Registration No. 4-2004-012148 issued on 19 February 2007 for the mark "FRAPPUCCINO";
16. Print-out of websites of the Opposer such as: <http://www.starbucks.com/>;
[http://www.frappuccino.asia/en:asia/?utm_source=direct&utm_medium=http%3a%2fwww.frappuccino.com.ph%2fdefault.aspx&utm_campaign+redirect](http://www.frappuccino.asia/en:asia/?utm_source=direct&utm_medium=http%3a%2fwww.frappuccino.com.ph%2fdefault.aspx&utm_campaign+redirect;);
<http://www.starbucks.co.jp/en/beverage/frappuccino.html>;
<http://www.frappuccino.co.uk/en;gb/>;
<http://www.starbucks.com.sg/frappuccino.html> etc.
17. Print-out of Social Networking Sites featuring the mark "FRAPPUCCINO";
18. Print-out of internet articles or blogs featuring the mark "FRAPPUCCINO";
19. Photographs of out-store and in-store campaign materials such as banners, menu boards and promotional materials; and
20. Affidavits of baristas attesting to the popularity of "FRAPPUCCINO".

This Bureau served upon the Respondent-Applicant a "Notice to Answer" on 25 April 2012 and served on the Respondent-Applicant on 11 May 2012. The Respondent-Applicant, however, did not file an Answer. Thus, the Hearing Officer issued on 26 September 2012 Order No. 2012-1308 declaring the Respondent-Applicant to have waived its right to file an answer. An Entry of Appearance with Motion to Set Aside Order of Default with Prayer to Admit Attached Verified Answer was filed on 27 November 2012. The Hearing officer issued Order No. 2013-281 noting the entry of appearance and denying the motion to admit answer.

Should the Respondent-Applicant be allowed to register the trademark THE FRAP BAR EVERYONE DESERVES FRAP AND DESIGN?

The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁴ Thus, Sec. 123.1 (d) of R. A. No. 8293, also known as The Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

Records show that at the time Respondent-Applicant applied for registration of the mark "THE FRAP BAR EVERYONE DESERVES FRAP AND DESIGN" the Opposer already registered the mark FRAPPUCCINO under Registration No. 4-1996-105760 issued on 30 October 2004; Registration No. 4-1999-010021 issued on 10 March 2006; Registration No. 4-2001-006892 issued on 16 April 2004; and Registration No. 4-2004-012148 issued on 19 February 2007. The goods covered by the Opposer's trademark registration are also under Class 30 for "coffee", same as indicated in the Respondent-Applicant's trademark application.

According to the Opposer, it is the world's premier roaster and purveyor of specialty coffees and coffee-based beverages from its first retail store in Seattle, Washington U.S.A. in 1971. Its business is said to have expanded to more than 17,000 retail stores in 55 countries with 195 stores, operated under the "STARBUCKS" service mark, located in various places in the Philippines. FRAPPUCCINO trademark is used in connection with the Opposer's top selling blended beverages including coffee-based and milk-based beverages. The records show that the FRAPPUCCINO mark is also registered⁵ in several countries abroad.

The question is: Are the competing marks identical or closely resembling each other such that confusion or mistake is likely to occur?

⁴ *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999.

⁵ Exhibit "C" series

The competing marks are reproduced below:



Opposer's mark



Respondent-Applicant's mark

The marks are similar with respect to the prefix ("FRAP"). The dominant element of the Opposer's trademark FRAPPUCCINO is the prefix "FRAP". Such is the popularity of the drink FRAPPUCCINO, that the customers normally and habitually utter the word "FRAP" when ordering or purchasing the Opposer's FRAPPUCCINO beverages. This custom of ordering FRAPPUCCINO by uttering the word "FRAP" is attested to by several baristas of the Starbucks retail stores.⁶ A barista testified as follows:

A great number of buyers of Starbucks FRAPPUCCINO blended beverages customarily use the word 'FRAP' when ordering FRAPPUCCINO. For example, when ordering MOCHA FRAPPUCCINO blended beverages, customers use the word 'MOCHA FRAP' and when ordering strawberry flavored FRAPPUCCINO blended beverages, customers use 'STRAWBERRY FRAP'.⁷

The Opposer coined the term FRAPPUCCINO, which has no dictionary meaning, thus, a valid trademark. It is a portmanteau of *frappe*, a French term referring to iced coffee or milk shake with frothed milk and *cappuccino*, a coffee drink. FRAPPUCCINO can be considered a suggestive term. Suggestive terms are those which, in the phraseology of one court, require "imagination, thought and perception to reach a conclusion as to the nature of the goods." Such terms, "which subtly connote something about the product," are eligible for protection in the absence of secondary meaning. While suggestive marks are capable of shedding "some light" upon certain characteristics of the goods or services in dispute, they nevertheless involve "an element of incongruity," "figurativeness," or "imaginative effort on the part of the observer."⁸ The Opposer uses

⁶ Exhibit "GG-1"- "GG-17"

⁷ Exhibit - "GG" Affidavit of Alonna B. Cortez

⁸ *Societe Des Produits Nestle S.A. v. Court of Appeals*, G.R. 112012, 4 April 2001

the mark FRAPPUCCINO for blended coffee beverages, in various advertising⁹, one as depicted below¹⁰.

the
however-you-want-it
frappuccino
blended beverage

Thus, the Respondent-Applicant may not appropriate the word FRAP which constitutes a prefix or dominant part of the Opposer's registered trademarks,¹¹ FRAPPUCCINO, because this may lead to a likelihood of confusion and deception among the purchasing public. The Supreme Court in McDonald's Corporation v. Macjoy Fastfood Corporation¹² held:


To begin with, both marks use the corporate "M" design logo and the prefixes "Mc" and/or "Mac" as dominant features. The first letter "M" in both marks puts emphasis on the prefixes "Mc" and/or "Mac" by the similar way in which they are depicted i.e. in an arch-like, capitalized and stylized manner. For sure, it is the prefix "Mc," an abbreviation of "Mac," which visually and aurally catches the attention of the consuming public. xxx

In the case at bar, the predominant features such as the "M," "Mc," and "Mac" appearing in both McDonald's marks and the MACJOY & DEVICE" easily attract the attention of would-be customers. Even non-regular customers of their fastfood restaurants would readily notice the predominance of the "M" design, "Mc/Mac" prefixes shown in both marks. Such that the common awareness or perception of customers that the trademarks McDonalds mark and MACJOY & DEVICE are one and the same, or an affiliate, or under the sponsorship of the other is not far-fetched.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2011-000707 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 16 September 2014.


Atty. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs

⁹Exhibits "M"- "FF"

¹⁰Exhibit "Y"

¹¹ Exhibits "I" to "L"

¹² G.R. No. 166115, 2 February 2007