

GBSI MANAGEMENT CORPORATION,
Opposer,

-versus-

FRESH N' FAMOUS FOODS, INC.,
Respondent- Applicant.

x-----x

} **IPC No. 14-2011-00106**
} Opposition to:
} Appln. No. 4-2010-004488
} Date Filed: 26 April 2010
} **TM: "CHOWKING**
} **ORANGE CHICKEN"**

NOTICE OF DECISION

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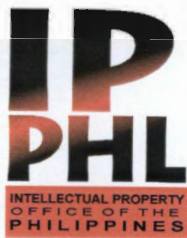
GREETINGS:

Please be informed that Decision No. 2016 - 184 dated June 22, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 22, 2016.

For the Director:


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



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IPC No. 14-2011-00106
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 Application No. 4-2010-004488
 Date Filed: 26 April 2010
 Trademark: "CHOWKING
 ORANGE CHICKEN"
 Decision No. 2016- 184

DECISION

GBSI MANAGEMENT CORPORATION¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2010-004488. The application, filed by Fresh N' Famous Foods, Inc.² ("Respondent-Applicant"), covers the mark "CHOWKING ORANGE CHICKEN" for use on "various meat and poultry products served with rice or individually" under Class 29, "advertising services" under Class 35 and "restaurant - services; self service and fast-food restaurant services, catering services, cafeteria services and café services" under Class 43 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"GROUNDS

"Opposer relies on the following grounds to support its Opposition:

"3.1 The combined words 'ORANGE CHICKEN' in Respondent-Applicant's mark 'CHOWKING ORANGE CHICKEN' under Application No. 4-2010-004488 are descriptive and /or generic, hence, incapable of exclusive appropriation under paragraph (h), (i) and (j) of Section 123.1 of the Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines ('IP Code).

"3.2 Opposer, as the owner of the proprietor of the 'Goldilocks Orange Chicken,' which is applied for trademark registration, and registered for copyright, covering goods in Class 29, specifically 'Goldilocks Orange Chicken,' believes that it will be damaged by the registration of the mark 'CHOWKING ORANGE CHICKEN' in the name of Respondent-Applicant without having to disclaim the combined words 'Orange Chicken.'

¹A domestic corporation organized and existing under Philippine laws with address at 498 Shaw Blvd., Mandaluyong City.
²A domestic corporation duly organized and existing under the laws of the Philippines with address at the 6th Floor, Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Pasig City, Philippines.
³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

"DISCUSSION

"4.1 Section 123.1 of the IP Code provides, among others, that generic and descriptive words cannot be registered. Paragraphs (h) and (i) of Section 123.1 state:

x x x

"4.2 A common or generic name of an article or a word or phrase which is merely descriptive of the character, qualities or composition of an article cannot be monopolized as a trademark or trade name. Nor can a word or phrase which would practically give the possessor a monopoly in the sale of goods other than those produced or made by him be employed as a mark or trade name.

"4.3 Descriptive designations are regarded as being in the 'public domain' only in the sense that all sellers must be free to truthfully use descriptive designations. That is, others are entitled to compete fairly by describing their goods and services in order to inform consumers.

"4.4 As one commentary puts it: x x x

"4.5 While the IPO allows the inclusion of generic words in a composite trademark applied for registration, it has been mandatory to submit a disclaimer of marks or components thereof, which are deemed descriptive or generic either by the applicant or the handling Examiner.

"4.6 In this case, Respondent-Applicant only submitted a disclaimer of the word 'Chicken' as shown in the details of the mark as published in the E-Gazette. x x x

"4.7 'Orange Chicken' is a Hunan-based dish of mixed Chinese and American origin. In most western countries, the names 'orange chicken', 'orange chicken peel chicken', and 'tangerine chicken' are typically used for this particular dish. In Chinese, however, the dish is always known as "陈皮鸡", which literally means 'old peel chicken', referring to dried orange or tangerine peel, which is used in traditional Chinese medicine as well as cooking. For western restaurants, fresh orange peel is often used instead, or even no peel at all.

"4.8 Being descriptive and generic, respectively, of the viand Orange Chicken in Class 29, the exclusive right to use the words 'Orange Chicken' must be disclaimed by Respondent-Applicant apart from its mark 'CHOWKING ORANGE CHICKEN' bearing Application No. 4-2010-004488.

"5.1 Opposer is the parent company of Goldilocks Bakeshop, Inc. ('GBSI'), the exclusive proprietor of the Goldilocks system and know-how, manufacturing plant system, formulas and specifications for certain food products, and literatures containing business practices and policies (collectively referred to as the 'Goldilocks System'). GBSI is duly authorized by the Opposer to use the Goldilocks marks including the 'Goldilocks Orange Chicken' Trademark and Copyright.

"5.2 The Opposer traces its roots way back on 15 May 1966, when the first Goldilocks store, which still stands today, was opened along Pasong Tamo, Makati City. From then on, Goldilocks has been at the forefront of the bakeshop and food shop industry, beating competitors in term of the quality of its products and its service

performance. In fact, it has consistently topped the National Consumer Surveys having been identified as the leader in customer satisfaction and scoring highest in vital survey indices such as Awareness Conversion (the ability to translate brand awareness to actual trial) and Share of Heart (the emotional approach of measuring preference).

"5.3 A study conducted in 2005 by AC Nielsen, the world's leading market research and information firm, showed that Goldilocks enjoys a total product awareness of 100 percent, with seven out of 10 respondents mentioning it first. It is also mentioned in the famous book 'You Know You're Pinoy If...' showing that Goldilocks has always been intertwined with the Filipino culture and considered as part of the Filipino way of life.

"5.4 From two employees and two display stands, Goldilocks has become a global brand, expanding to 270 retail outlets nationwide, nineteen (19) outlets in the United States of America and two (2) in Canada and currently employs over 2,000 employees.

"5.5 Over the years, Opposer has been recognized consistently by influential publications as an outstanding bakeshop company. GBSI has also won numerous prestigious awards, the list of awards and pictures thereof are attached hereto as x x x. In 1999, GBSI was awarded the 'Most Promising Filipino Franchise.' In 2004 and 2005, GBSI bagged the most coveted awards given by the Philippine Franchise Association, such as the 'Outstanding Filipino Franchise of the Year' and 'Outstanding Franchise Marketing Campaign.' GBSI's Food Processing Plant was awarded a Triple-A rating by the National Meat Inspection Services. It has been a three-time Parangal ng Bayan awardee for 'Most Outstanding Bakeshop.' It was also hailed as the Consumer's Union of the Philippines' 'Most Outstanding Bakeshop.'

"5.6 As the owner and rightful proprietor of the Goldilocks Orange Chicken Trademark and Copyright, Opposer has caused the filing of the Application No. 4-2010-007988 for the mark 'Goldilocks Orange Chicken' on 22 July 2010 and has obtained a Certificate of Copyright Registration and Deposit No. M 2010-132 dated 04 August 2010 for 'Goldilocks Orange Chicken.'

"5.7 It is worthy to note that in applying for the registration of the mark 'Goldilocks Orange Chicken,' Opposer submitted a disclaimer on the exclusive right to use the words 'Orange Chicken' apart from Opposer's mark. Attached as Exhibit 'E' and made an integral part hereof, is a print-out copy of the IPO's Electronic Gazette showing the details of Opposer's mark 'Goldilocks Orange Chicken' bearing Application No. 4-2010-007988 and the disclaimer submitted by the Opposer.

"5.8 The words 'Orange Chicken,' in conjunction with the Goldilocks mark, was first used on 01 November 2008 and published on 01 December 2008. It was then registered as a copyright on 04 August 2010.

"5.9 As proof of its legitimate and continuing use of the Goldilocks Orange Chicken Trademark in the Philippines, original photographs of Goldilocks Orange Chicken products being sold in the Philippines are also presented herewith as Exhibits 'F' and 'F-2' and made integral parts of this Opposition.

"5.10 In addition to its advertisements, Opposer has also promoted the 'Goldilocks Orange Chicken' through various advertisement materials as shown in its

internal memorandum attached hereto as Exhibit 'G' to 'G-2' and made integral parts hereof.

"5.11 GBSI has spent valuable time, effort and resources for the extensive media campaign and promotion of the 'Goldilocks Orange Chicken' product. GBSI's list of advertising expenses for the past two (2) years with respect to its Goldilocks Orange Chicken mark is shown below:

x x x

"5.12 It is clear that the 'Goldilocks Orange Chicken' trademark has acquired substantial goodwill and reputation over the years, elevating it to the level of highly regarded mark. To deprive Opposer of the right to use combined words 'Orange Chicken' as part of its own 'Goldilocks Orange Chicken' mark on the basis of Respondent-Applicant's purported registration of the trademark 'CHOWKING ORANGE CHICKEN,' without any disclaimer of 'orange chicken' will cause grave and irreparable damage to Opposer's business and goodwill. Respondent-Applicant cannot exclusively appropriate the combined words 'Orange Chicken' for being descriptive and generic of the goods bearing the mark. Respondent-Applicant is not only the first entity which used the combined words 'Orange Chicken.' It is also the owner of the combined words. The best and the worst chefs in the world should be free to use these descriptive and generic words, without anybody claiming exclusive ownership over the same.

"5.13 In view of the foregoing, Respondent-Applicant's Trademark Application No. 4-2010-004488 for the registration of the mark 'CHOWKING ORANGE CHICKEN', should not be allowed to proceed to registration without Respondent-Applicant's submission of a disclaimer of the words 'Orange Chicken' pursuant to Sections 123.1 (h), (i) and (j) of the IP Code and existing jurisprudence.

The Opposer's evidence consists of a print-out copy of the details of the Application No. 42010004488 as published in the IPO's Electronic Gazette; the list of awards and pictures of Opposer as an outstanding bakeshop company; copy of the Notice of Allowance issued on 04 February 2011 by IPO; copy of the Certificate of Copyright Registration and Deposit No. M 2010-132 dated 04 August 2010 issued by the National Library; printout copy of the IPO's E-Gazette showing the details of Opposer's mark "Goldilocks Orange Chicken" bearing Application No. 4-2010-007988 and the disclaimer submitted by the Opposer; photographs of Goldilocks Orange Chicken products being sold in the Philippines; copy of the internal memorandum issued by Opposer regarding promotion of "Goldilocks Orange Chicken"; and copies of the cost estimate and official receipts showing the advertising expenses of Opposer in 2008 and 2009.⁴

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Applicant on 05 May 2011. The Respondent-Applicant filed their Answer on 12 August 2011 and avers the following:

x x x

⁴Marked as Exhibits "A" to "H", inclusive.

"Averments and Defenses

"Respondent repleads the foregoing allegations insofar as they are applicable, and further states:

"23. Respondent is entitled to register the mark CHOWKING ORANGE CHICKEN.

"24. Respondent's mark CHOWKING ORANGE CHICKEN is capable of exclusive appropriation as a trademark.

"24.1. Respondent's mark CHOWKING ORANGE CHICKEN is a distinctive sign. The mark CHOWKING ORANGE CHICKEN presents the elements and features of distinctiveness required under the IP Code, which allow it to be differentiated from its competitor's products on the market.

"24.2. Respondent's mark CHOWKING ORANGE CHICKEN is a perceptible sign. The mark CHOWKING ORANGE CHICKEN has the ability to be materialized in the outside world, as it can be appreciated through the eye and be pronounceable and heard by any customer.

"24.3. Respondent's mark CHOWKING ORANGE CHICKEN is capable of graphic presentation. The mark CHOWKING ORANGE CHICKEN has the capability to be materially represented as being a trademark which has a particular graphical representation.

"25. Respondent's mark CHOWKING ORANGE CHICKEN meets all the requirements and characteristics required for registration under the IP Code.

"26. Respondent's mark CHOWKING ORANGE CHICKEN may be registered even without disclaiming the phrase 'ORANGE CHICKEN' as found therein.

"26.1 The Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers provide that:

x x x

"26.2 As correctly ruled by the handling Examiner in allowing the publication of the mark with only the word 'chicken' disclaimed, there is no need to disclaim the whole phrase 'ORANGE CHICKEN', as an 'orange chicken' does not refer to anything generic nor is it merely descriptive.

"26.3 The phrase 'ORANGE CHICKEN' is not generic. Generic marks are commonly used as the name or description of a kind of goods. Clearly, an 'orange chicken' is not a name or description of a kind of goods.

"26.4 Contrary to Opposer's allegations, the phrase 'ORANGE CHICKEN' is not descriptive. 'Descriptive' marks are those which cannot be appropriated because they merely refer to the characteristics, kind, quality or

ingredients of the products bearing the descriptive mark. The term 'ORANGE CHICKEN', however, is not descriptive as it does not refer to the characteristics, functions, qualities or ingredients of the products or services for which the mark CHOWKING ORANGE CHICKEN is applied for (various meat and poultry products served with rice or individually, advertising services, restaurant services, self-service and fastfood restaurant services, catering services, cafeteria services and café services.

"26.5 The phrase 'ORANGE CHICKEN' by itself is a highly arbitrary term coined by Respondent and used as a composite of the whole mark CHOWKING ORANGE CHICKEN to describe the products and services bearing the CHOWKING ORANGE CHICKEN mark.

"26.6 The dish which is alleged by the Opposer as descriptive or generic, supposedly a 'Hunan-based dish of mixed Chinese and American Origin' is familiar only to those who have acquired enough knowledge in cuisine and those who can distinguish between origins of recipes and food. The buying public, which is the general population comprising the target of the goods subject of the trademark, are not familiar with the cooking methods of the obscure Hunan population. As mentioned by the Opposer in their notice of opposition itself, only 'the best and worst chefs in the world' would be able to recognize the peculiar dish that the Opposer claims is generic. However, the target consumers of Opposer are neither chefs nor cuisine experts.

"26.7 A term should be characterized as 'descriptive' only if a substantial portion of prospective customers recognize it as such. The meaning of a term to a non-purchasing segment of the population is neither relevant nor important. The proper test of descriptiveness of a word is its meaning to that class of buyers who are prospective purchasers, which may or may not be synonymous with its popular meaning. Descriptiveness is to be tested from the viewpoint of the average customer.

"26.8 The phrase 'ORANGE CHICKEN' is arbitrarily coined and, prior to the capricious use of Respondent in connection with its products and services, did not refer to any common products or services.

"Based on the foregoing, there is no need to disclaim the phrase 'ORANGE CHICKEN' in Respondent's well-known and distinctive mark CHOWKING ORANGE CHICKEN.

"27. Respondent is the owner and first user of the mark CHOWKING ORANGE CHICKEN by virtue of the prior adoption and use of the said marks. Respondent has used the mark CHOWKING ORANGE CHICKEN as early as 21 February 2010. Respondent's mark CHOWKING ORANGE CHICKEN has acquired distinctiveness by virtue of long and exclusive use by Respondent.

"28. Respondent has also extensively promoted the mark CHOWKING ORANGE CHICKEN nationwide. Over the years, Respondent has obtained significant exposure over the products and services upon which the mark CHOWKING ORANGE CHICKEN is used in various media, including television commercials, outdoor advertisements, internet blogs and other promotional events.

"29. Through extensive sales and marketing campaigns, Respondent has managed to implant in the minds of consumers the mark CHOWKING ORANGE CHICKEN in connection with its food products and services.

"30. The Respondent's mark CHOWKING ORANGE CHICKEN mark is internationally well-known. The Opposer continues to use the CHOWKING ORANGE CHICKEN in the Philippines and in Indonesia.

"31. By registering the mark CHOWKING ORANGE CHICKEN, Respondent seeks to give protection to its internationally well-known trademark. Opposer, however, in an attempt to ride on the goodwill of Respondent's mark CHOWKING ORANGE CHICKEN, belatedly used and applied for the registration of the mark GOLDILOCKS ORANGE CHICKEN mentioned repeatedly in its Notice of Opposition, which is confusingly similar to Respondent's mark CHOWKING ORANGE CHICKEN.

"31.1 Opposer applied for registration of the GOLDILOCKS ORANGE CHICKEN mark on 22 July 2010, or about three months later than Respondent's filing for registration of the mark CHOWKING ORANGE CHICKEN.

"31.2 To defend its rights against the mark GOLDILOCKS ORANGE CHICKEN, which is confusingly similar to Respondent's mark CHOWKING ORANGE CHICKEN, Respondent timely filed a Notice of Opposition to the registration of the mark on 5 July 2011.

"31.3 Opposer now seeks to illegally appropriate Respondent's goodwill on the well-known mark CHOWKING ORANGE CHICKEN by filing the instant Opposition, in an attempt to support its belated application of the mark GOLDILOCKS ORANGE CHICKEN, which is, to repeat, not entitled to registration for being confusingly similar to Opposer's mark CHOWKING ORANGE CHICKEN.

"32. Based on the foregoing, the phrase ORANGE CHICKEN in the mark CHOWKING ORANGE CHICKEN is undoubtedly distinctive and capable of exclusive appropriation and therefore need not be disclaimed. Moreover, it enjoys an earlier filing date than any other mark that is confusingly similar to it. Opposer cannot rightfully claim any relief against Respondent. Therefore, the opposition is completely baseless and should be dismissed outright.

The Respondent-Applicant's evidence consists of the Answer; copy of the Notice of Opposition against Application Serial No. 4-2010-007988 for the mark GOLDILOCKS ORANGE CHICKEN filed on 22 July 2010; Affidavit of Atty. Gonzalo D.V. Go III; screenshots of Opposer's website www.chowking.com; representative samples of promotional materials and advertisements for the CHOWKING ORANGE CHICKEN marks; copy of Philippine Trademark Application No. 4-2010-004488 for the mark CHOWKING ORANGE CHICKEN; copy of Philippine Trademark Application No. 4-2010-004487 for the mark CHOWKING NEW ORANGE CHICKEN WITH CHINESE

CHARACTERS AND DEVICE; extract from the E-Gazette of the Philippine Intellectual Property Office dated 6 December 2010 on the publication of the mark CHOWKING ORANGE CHICKEN under Trademark Application No. 4-2010-004488, with only the word 'CHICKEN' disclaimed; extract from the E-Gazette of the Philippine Intellectual Property Office dated 6 December 2010 on the publication of the mark CHOWKING ORANGE CHICKEN under Trademark Application No. 4-2010-004488, with only the word 'CHICKEN' disclaimed; extract from the E-Gazette of the Philippine Intellectual Property Office dated 6 December 2010 on the publication of the mark CHOWKING ORANGE CHICKEN WITH CHINESE CHARACTERS AND DEVICE under Trademark Application No. 4-2010-004487, with only the word 'CHICKEN' disclaimed; representative samples of print advertisement materials for the CHOWKING ORANGE CHICKEN marks; screenshots taken from television commercials for products bearing the CHOWKING ORANGE CHICKEN marks; photographs of in-store advertisement materials promoting the CHOWKING ORANGE CHICKEN marks; photographs taken during the launch of the products bearing the CHOWKING ORANGE CHICKEN marks; newspaper and magazine articles written about the products bearing the CHOWKING ORANGE CHICKEN marks; CD containing various advertisement and promotional materials for the products bearing the CHOWKING ORANGE CHICKEN marks; certificate issued by William Tan Untiong regarding the authority of Atty. Gonzalo D.V. Go III to verify the notice of opposition and execute the certificate of non-forum shopping and the authority of Quisumbing Torres to represent Opposer in this case; and the Secretary's Certificate executed by William Tan Untiong regarding the execution of the Certificate/Power of Attorney.⁵

On 18 February 2013, the Preliminary Conference was conducted and terminated. The parties were directed to submit their position papers. Thereafter, the case was deemed submitted for resolution.

Should the Respondent-Applicant be allowed to register the trademark CHOWKING ORANGE CHICKEN?

The Opposer anchors its opposition on Section 123.1, paragraphs (h), (i) and (j) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

Sec. 123.Registrability. - 123.1. A mark cannot be registered if it:

x x x

- (h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;
- (i) Consists of exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in bona fide and established trade practice;

⁵Marked as Exhibits "1" to "14", inclusive.

- (j) Consists exclusively of signs or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services.

A comparison of the competing marks reproduced below:

GOLDILOCKS ORANGE CHICKEN

CHOWKING ORANGE CHICKEN

Opposer's mark

Respondent-Applicant's mark

shows that both trademarks contain the words ORANGE CHICKEN. Orange Chicken, however, is generic or descriptive as it refers to an old Chinese chicken dish. The dish is represented in characters "陳皮雞", literally "old peel chicken", referring to dried orange or tangerine peel, which is used in traditional Chinese medicine as well as cooking.⁶ If generic or descriptive, no one has exclusive right over the words ORANGE CHICKEN. If Respondent-Applicant cannot appropriate for its exclusive use the words ORANGE CHICKEN, these words therefore should be disclaimed in Application No. 4-2010-004488 to be registrable.

This Bureau has previously dismissed the opposition for registration of mark GOLDILOCKS ORANGE CHICKEN. In Inter Partes Case No. 14-2011-00257 entitled "Fresh N' Famous Foods, Inc. vs. GBSI Management Corporation"⁷, this Bureau held that:

"x x x Orange Chicken, however, is generic or descriptive as it refers to an old Chinese chicken dish x x x

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.⁸ This Bureau finds that the

⁶ Wikipedia, the Free Encyclopedia.

⁷ Decision No. 2015-291,23 December 2015.

⁸ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

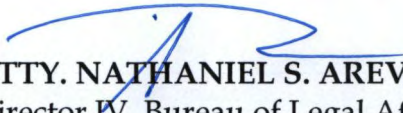
Respondent-Applicant's mark with the disclaimed words ORANGE CHICKEN sufficiently serves this function" (Emphasis and underscoring supplied)

This Bureau finds no cogent reason to deviate from this ruling.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2010-004488 is hereby SUSTAINED. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 22 JUN 2016.


ATTY. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs