LARRY HARMON PICTURES CORPORATION, Opposer, - versus - GO BROTHERS & CO. Respondent-Applicant.	INTER PARTES CASE NO. 3569 OPPOSITION TO: Application Serial No. 47493 Filed : February 15, 1982 Applicant : Go Brothers & Co. Trademark : FAT & THIN AND FACES Used on : Preserved fruits and butong pakwan <u>DECISION NO. 92-12 (TM)</u> June 17, 1992

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DECISION

This is an Opposition to trademark Application Serial No. 47493 of Respondent-Applicant, GO BROTHERS & CO., for the trademark FAT AND THIN and FACES, used for watermelon seeds (butong pakwan) which was published for Opposition on p. 36, Vol. III, January-February issue of the Official Gazette, and officially released for circulation in 03 May, 1990.

Opposer LARRY HARMON PICTURES CORPORATION, a foreign corporation duly organized and existing under the laws of the State of California, U.S.A., with principal office at 7080 Hollywood Blvd., Suite 202, Hollywood, California U.S.A. while the Respondent is a partnership with principal office at 83 Del Monte Ave., Quezon City.

The grounds alleged in its Verified Notice of Opposition are as follows:

"1. The trademark FAT and THIN and FACES so resembles Opposer's trademarks "LAUREL and HARDY and FACES and FAT and THIN and FACES which have been previously used in commerce throughout the world and not abandoned, as to be likely, when applied to or used in connection with the goods of Applicant, to cause confusion, mistake and deception on the part of the purchasing public.

"2. The registration of the trademark FAT and THIN and FACES in the name of the Applicant will violate Section 4(a) and 37 of Republic Act No. 166, as amended and Section 6bis and other provisions of the Paris Convention for the Protection of Industrial Property to which the Philippines and the United States of America are parties.

"3. Applicant's commercialization of the identity of the comedians Stan Laurel and Oliver Hardy evident from his appropriation of their popular names FAT and THIN, the use of faces which strongly resemble Laurel and Hardy's, the way they are dressed, their bowler hats and the characteristic haircut and grin on Oliver Hardy's face, constitute a violation of their right of privacy. It also amounts to an act of unfair competition under the law.

"4. The registration and use by Applicant of the trademark FAT and THIN and FACES will infringe on Opposer's copyrighted works containing the Laurel

and Hardy characters. In United Feature Syndicate, Inc., vs. Munsingwear Creation Manufacturing Company, G.R. No. 76193, November 9, 1989, the Supreme Court recognized the right and legal standing of a copyright owner to file an Opposition to or ask for cancellation of a trademark registration of a copyrighted character obtained by an unauthorized party.

"5. The registration and use by Applicant of the trademark FAT and THIN and Faces will diminish the distinctiveness and dilute the goodwill of Opposer's trademarks LAUREL and HARDY and Faces and FAT and THIN and Faces.

"6. The registration of the trademark FAT and THIN and Faces in the name of the Applicant is contrary to other provision of the Trademark Law.

Due to difficulties in locating the Respondent-Applicant for purposes of proper service of the Notice to Answer, this Office issued Order No. 91-354 dated 23 April, 1991 allowing the publication of the Notice of Opposition and the Notice to Answer in a newspaper of general circulation as provided under Section 16, Rule 14 of the Rules of Court.

On 08 May, 1991 the Opposer submitted the affidavit of publication executed by one Lourdes C. Diaz, the Classified Ads Manager of the Philippine Daily Inquirer, alleging among others that the Notice of Opposition and the Alias Notice to Answer was published in their Newspaper on 02 May, 1991.

On 09 August, 1991 the Opposer moved to declare the Respondent-Applicant IN DEFAULT which was granted by this Office in its Order No. 91-667 dated 14 August, 1991 and allowed the Opposer to present its evidence ex-parte.

During the presentation of the evidence for the Opposer, trademark registrations of the FAT and THIN mark in the following countries were offered in evidence: a) Brazil; b) Denmark; c) Finland; d) Germany; e) Norway; f) Benelux countries; g) Sweden; and h) Greece. Copyright registrations over the same subject matter were also in evidence together with advertisements used in various products showing the "FAT and THIN and Faces" trademark.

On the other hand, it is worthy to note that the trademark "FAT and THIN and Faces" subject of this Opposition is a clear case of re-registration. The filewrapper of the application in question, shows that the said mark has already been registered in the name of the Respondent on 16 June 1958 under Serial No. 6521. The said registration expired on 15 June, 1958 according to Section 12 of R.A. 166 which provides:

"SECTION 12. DURATION. –

"Each certificate of registration shall remains in force for twenty (20) years: Provided, That registrations under the provisions of this Act shall be cancelled by the Director, unless within one year following the fifth, tenth and fifteenth anniversaries of the date of issue of the certificate of registration, the registrant shall file in the Patent Office an affidavit showing that the mark or tradename is still in use or showing that its non-use is due to special circumstances which excuse such non-use and is not due to any intention to abandon the same, and pay the required fee.

"The Director shall notify the registrant who files the above-prescribed affidavits of his acceptance of refusal thereof and, if a refusal, the reasons therefore."

When the term of trademark in question expired, the Respondent-Applicant failed to file a renewal application within the periods set forth in Section 15 of R.A. 166, as amended, the said provision of law is hereto reproduced as follows:

"SECTION 15. RENEWAL. –

"Each certificate of registration may be renewed for periods of twenty years from the end of the expiring period upon the filing of an application therefore and the payment of the required fee. Such application for renewal shall include a sworn statement of the applicant's domicile and citizenship, the specific goods, business or services in connection with which the mark or tradename is still in use, the period of any non-use in reference to the specific goods, business or services covered by original or renewed certificates of registration and any rights granted third parties for the use of the mark of tradename, any additional goods, business or services to which the mark or tradename has been extended certificates of registration, and any material variation in the manner of display of the mark or tradename from that shown in the original or renewed certificate of registration. The applicant shall file the application within six months before the expiration of the period for which the certificate of registration was issued or renewed, or it may be made within three months after such expiration for good cause shown and upon payment of the required surcharge.

"In the event the applicant for renewal be not domiciled in the Philippines, he shall be subject to and comply with the provisions of paragraph (d), section five, Chapter II hereof."

Hence, an application for re-registration was filed which in turn became the subject of this Opposition proceeding. In cases of re-registration, Section 16 of R.A. 166 would clearly be the applicable law which provides:

"SECTION 16. EFFECT OF FAILURE TO RENEW REGISTRATION. –

"Mere failure to renew any registration shall not affect the right of the registrant to apply for and obtain a new registration under the provisions of this Act, nor shall such failure entitle any other person to register a mark or tradename unless he is entitled thereto in accordance with the provisions of this Act."

The Philippine Trademark situation then was that the mark "FAT and THIN and Faces" was not yet internationally known and the Philippines was not yet a member of the Paris Convention (the Philippines became a member of the Paris Convention only in 1965). On the other hand, the Respondent-Applicant is already the trademark registrant of the same mark because of Registration No. 6521 which was issued on 16 June, 1958.

In resolving the issue of ownership of the mark, the issuance of the registration of the mark "FAT AND THIN AND FACES" for food products to respondent in 1958 is of great significant.

As impressed upon by the Opposer, its right to the use of the mark originated from a grant since 1961 to acquire in perpetuity the exclusive right to utilize and merchandise the names, likeness, characters and characterization of the comedian's Laurel and Hardy (p.8 of the Memorandum). The Opposer likewise has not registered or used the subject mark in the Philippines. The protection under Opposer's foreign registrations could not extend to the Philippines because "the law of trademarks rests upon the doctrine of nationality of territoriality. As held in Sterling Products International, Inc. vs. Farbenfabriken A.G., 44 SCRA 1226-1227:

"(t)he United States is not the Philippines. Registration in the United States is not registration in the Philippines. x x x Plaintiff itself concedes that the principle of territoriality of trademark law has been recognized in the Philippines. Accordingly, the registration in the United States of the BAYER trademark would

not of itself afford plaintiff protection for use by the defendants in the Philippines of the same trademark for the same or difference goods." (Emphasis ours)

In the case of Bata Industries Ltd., vs. Court of Appeals, 114 SCRA 318, the Supreme Court held that a foreign company selling a brand of shoes abroad but not in the Philippines has no goodwill that would be damaged by registration of the same trademark in favor of a domestic corporation which has been using it here in the Philippines.

The prior adoption and use by Respondent of the FAT and THIN mark, and the failure of the Opposer to establish any proprietary right or goodwill of the mark through use of the same in commerce in the Philippines, establish the factual and legal basis to conclude that Opposer will not be damaged if the application for registration of the mark subject of the opposition will be given due course.

This Office is not unmindful of the existence of the provision of the Paris Treaty regarding internationally known marks. However, in order for the protective mantle of the Paris Treaty to apply in this case, international fame of the "FAT AND THIN AND FACES" trademark at the time the Respondent commenced using the mark in the Philippines should be proven by the Opposer. The records do not bear this out.

1. Opposer's certificate of registration refer to Laurel and Hardy – not FAT & THIN. Therefore, what may be considered well-known is the mark "Laurel & Hardy", not FAT & THIN.

2. Hardly is there any similarity between the faces represented in Opposer's and respondent's marks. Neither can Opposer claim exclusive right to use a pair of faces, one fat and the other thin.

WHEREFORE, Opposition is dismissed and application of respondent is given due course.

WHEREFORE, premises considered, this Opposition is hereby DISMISSED and Application Serial No. 47493 of the Respondent-Applicant is hereby declared ABANDONED.

Let a copy of this decision be forwarded to the Trademark Examining Division for appropriate action in accordance therewith.

SO ORDERED.

IGNACIO S. SAPALO
Director