

SANRIO COMPANY LIMITED,	)	INTER PARTES CASE NO. 3688
Opposer,)	
	)	OPPOSITION TO:
)	
	)	Application Serial No. 70408
	)	Filed : December 29, 1989
	)	Applicant : Asia Pearl
- versus -	)	Trading Co.
	)	Trademark : CARL'S CANDY
	)	CABINET & DEVICE
	)	Used on : Candies
)	
	)	<u>DECISION NO. 93-4 (TM)</u>
)	
ASIA PEARL TRADING	)	August 9, 1993
COMPANY, INC.,)	
Respondent-Applicant.))	
x-----x)	

DECISION

On September 4, 1991, Sanrio Company Limited, a corporation organized under the laws of Japan having its principal office in 1-6-1 Osaki, Shinagawa-ku, Tokyo 141, Japan filed its Verified Notice of Opposition (Inter Partes Case No. 3688) to application Serial No. 70408 for the trademark "CARL'S CANDY CABINET & DEVICE" used on candies (International Class 30) which application was filed on December 29, 1989 by Asia Pearl Trading Company, Inc., a corporation of the Philippines with address at Makati, Metro Manila, which was published for opposition in the issue of the Bureau of Patents, Trademarks and Technology Transfer Official Gazette, Volume IV, No. 3 and that was officially released on 28 June 1991 for circulation.

The grounds of the opposition are as follows:

1. The trademark "CARL'S CANDY CABINET & DEVICE" of Respondent-Applicant is confusingly similar with, if not identical to, the trademark "CANDY CABINET" earlier adopted and used in commerce in the Philippines by the Opposer's predecessor-in-interest, Book Stop, Incorporated and sought to be registered under trademark application Serial No. 67919 filed on 11 May 1989 for use on candies, chocolates and biscuits in Class 30.

2. The use of dominant words "CANDY CABINET" in the Respondent-Applicant's trademark makes said trademark, in its entirety, confusingly similar with the Opposer's trademark "CANDY CABINET". The confusing similarity is compounded by the close relationship of the goods upon which the contending trademarks are used. As a matter of fact, both marks are used on candies.

The goods of Respondent-Applicant and Opposer, identified by identical or similar marks are so distinctly and closely related that they would be encountered practically by the same persons under circumstances that could, because of identity of marks employed, give rise to the mistaken belief that they originate from or are in some way associated with the same producer or manufacturer.

3. The Opposer has registered the trademark "CANDY CABINET" in Japan under Certificate of Registration Nos. 1625903, 1761325 and 1856144,

issued on 27 October 1983, 23 April 19885 and 23 April 1986, respectively, for use on goods belonging to Class (Local Classification of Japan) Nos. 30, 19 and 25 respectively.

4. Opposer's trademark and high quality products have earned both domestic and international fame and acceptance. Hence, the use and/or registration of a confusingly similar trademark by Respondent-Applicant will clearly damage and cause irreparable injury to the Opposer's business and reputation.

Opposer relies on the following facts to support its opposition:

"a) The Opposer through its predecessor-in-interest, Book Stop Incorporated, first adopted and used in actual commerce in the Philippines the trade mark "CANDY CABINET" on 1 February 1980. Since then it has continuously used the trademark in the production and sale of its goods in the Philippines.

b) As early as 1989, the aforementioned trademark was sought to be registered by Book Stop Incorporated for use on candies, chocolates and biscuits under trademark application Serial No. 67919 filed on 11 May 1989. The mark and the application was duly assigned to the Opposer in September 1989.

c) Respondent-Applicant's application on the other hand was filed only on 29 December 1989 and therefore should not have been allowed ahead of Opposer's much earlier filed application.

d) The Opposer is indisputably the first adopter, user and applicant of the trademark "CANDY CABINET" in the Philippines, hence, it has a better right than the Respondent-Applicant to appropriate to its exclusive use the said trademark.

e) The trademark "CANDY CABINET" of Opposer is well-known not only locally but also internationally, and have acquired immense goodwill long before the Respondent-applicant began using its trademark in the Philippines.

f) The Respondent-Applicant intentionally adopted and used a trademark confusingly similar with, or identical to that of the Opposer to take advantage of the local reputation and international popularity so far amassed by the trademark "CANDY CABINET".

g) The use and adoption of Respondent-Applicant of its "CARL'S CANDY CABINET & DEVICE" trademark will likely confuse, mislead or deceive purchasers as to the source or origin of the goods to which they are used, as well as tend to falsely suggest a connection with the Opposer, and therefore constitute an intent to defraud Opposer and the general public.

h) Under the pertinent provision of the Philippines Trademark Law (R.A. No. 166 as amended) and the Paris Convention for the Protection of Industrial Property, of which the Philippines is an adherent, its superior right of the Opposer over the trademark "CANDY CABINET" deserves complete protection.

On September 27, 1991, Respondent-Applicant filed its Answer raising the following special/affirmative defenses:

1. The mark of the Opposer and that of Respondent-Applicant are grossly different as shown in their respective labels. Very prominent are the Japanese characters in Opposer's mark while in Respondent-Applicant's mark, the representation of a mascot and geometrical figures in combination with the

word "CARLS" are very visible. The claim therefore of Opposer that it will be damaged by the registration of respondent-applicant's mark is definitely without any basis.

2. Moreover, the fact that the Bureau of Patents, Trademarks and Technology Transfer did not declare an interference proceedings between the application Serial No. 67919 of Opposer's predecessor-in-interest, Book Stop Incorporated and application Serial No. 70408 of herein Respondent-Applicant will show that the trademarks in question are not at all confusingly similar.

3. As a matter of fact, the trademark "CANDY CABINET" of Opposer was not even cited as a reference during the process of examination of respondent's application no. 70408 as a bar to the allowance and/or registration of the mark respondent.

4. If the Opposer is to be believed that Respondent-Applicant's mark is confusingly similar with, if not identical to its trademark "CANDY CABINET", the BPTTT should have rejected outright the application of Respondent during the process of examination. It was not so.

5. On the contrary, and as admitted by Opposer, the application of Respondent-Applicant filed only on 29 December 1989 has been allowed ahead of Opposer's much earlier application filed on 11 May 1991.

6. Assuming, *gratia argumenti*, that Opposer has registered the mark "CANDY CABINET" in Japan, it is a well settled jurisprudence that registration in that country or any.

7. The Notice of Opposition is fatally defective since the certificate of registration in Japan was not attached to the Opposition as mandated by the clear provisions of Sec. 8, Republic Act No. 166 as amended. On this score alone, the opposition should be dismissed outright.

8. In the discussion of the registrability of Respondent-Applicant's mark "CARL'S CANDY CABINET & DEVICE", the Trademark Examiner recommended the allowance of subject mark which was approved by the Director of Patents, Trademarks and Technology Transfer.

9. If the application of Respondent-Applicant is in accordance with the Trademark Law, then there is no room for the alleged damage or irreparable injury caused to the business and reputation of opposer on the principle that: "One who makes use of his own legal right does no injury". *Qui Jure Suo Utitur Nullum Damnum Facit*.

10. The fact that opposer has a pending application for the mark "CANDY CABINET" filed prior to the application of Respondent-Applicant does not in any manner confer a better right to opposer over the mark "CARL'S CANDY CABINET & DEVICE" of Respondent-applicant since the two (2) marks are grossly different as shown in the labels of the parties.

11. The alleged claim of opposer that its mark is well-known not only locally but also internationally pales into insignificance since the Bureau of Patents have not even declared an interference proceedings on the ground that Respondent and Opposer's marks are similar. Had there been a semblance of similarity between Respondent and Opposer's mark, an interference Respondent and Opposer's mark, an interference should have been declared pursuant.

The main issue to be resolved is whether or not the use of the trademark "CARL'S CANDY CABINET & DEVICE" on Respondent-Applicant's goods would likely cause confusion, mistake or deception upon purchasers as to the source or origin thereof.

Our Trademark Law, particularly Section 4(d) thereof, provides as follows:

"SECTION 4. Registration of trademarks, tradenames and service marks on the Principal Register. - There is hereby established a register of trademarks, tradenames and service marks which shall be known as the principal register. the owner of a trademark, tradename 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:

xxx

(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 service of the applicant, to cause confusion or mistake or to deceive purchasers".

Records show that notices of the pre-trial conference, set for October 28, 1991 and November 29, 1991 were issued by this Office on October 8, 1991 and November 5, 1991 respectively. On the first instance, the Notice was sent through registered mail to Respondent only. On the second instance, Respondent was notified by way of personal service, on November 11, 1991.

Despite the foregoing, neither Respondent nor its Counsel appeared for Pre-Trial Conference on the above-stated dates.

Wherefore, Respondent was declared in DEFAULT and Opposer was allowed to present Ex-Parte its evidence in support of its Opposition (ORDER NO. 91-290 dated December 9, 1991.)

Pursuance to the Order of Default, Opposer presented its evidence ex-parte consisting of Exhibits "A" to "K" inclusive of submarkings.

There is no doubt as the evidence show that Respondent-Applicant's trademark "CARL'S CANDY CABINET & DEVICE" is confusingly similar if not identical to Opposer's trademark "CANDY CABINET" which the entire words therein were appropriated. The two competing marks both contained the words "CANDY CABINET" both parties goods pertain to "CANDIES" and belong to the same class (30) of the International Classification of Goods.

Respondent-Applicant may not appropriate Opposer's trademark in toto and avoid likelihood of confusion by adding the word "CARL'S DEVICE" thereto. Thus in *Continental Connector Corp. vs. Continental Specialties Corp.*, 207 USPQ 60, it has been ruled that "Courts have repeatedly held that the confusion created by use of the same word as the primary element in a trademark is not counter-acted by the addition of another term."

Examples:

1. "MISS USA" and "MISS USA WORLD" (*Miss Universe Inc. vs. Particelli* 161 USPQ 129);
2. "GUCCI" and "GUCCHI-GOO" (*Gucci Shop vs. R.H. May & Co.*, 446 F. Supp. 838);

3. "COMFORT" and "FOOT COMFORT" (Scholl, Inc. vs. Tops E.H.R. Corp. 185 USPQ 754);
4. "ACE" and "FFEN-ACE" (Becton, Dickenson & Co. vs. Wigwag Mills, Inc. 199 USPQ 607).

It is worthy to note that Opposer's trademark "CANDY CABINET" has been registered in its country of origin, Japan under Certificate of Registration No. 1625903, 1761325 and 1856144 issued on 27 October 1983, 23 April 1985 and 23 April 1986 respectively, for use on goods belonging to class (Local Classification of Japan) Nos. 30, 19 and 25 respectively. (Exhibits "G" & "G-1", "H" & "H-1", "I" & "I-1")

Section 2-A of R.A. No. 166 as amended, reads:

SEC. 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 business, or who renders any lawful service in commerce, by actual use like in manufacture of 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 of others. The ownership of possession of a trademark, tradename or service mark heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same are other property rights known to the law.

The above law clearly provides that anyone could not appropriate to his exclusive use a trademark that is appropriated by another.

The trademark "CANDY CABINET" was previously appropriated/used by Opposer in the Philippines and in other countries long before the alleged date of First Use by the Respondent-Applicant of the confusingly similar mark "CARLS' CANDY CABINET & DEVICE" Opposer, through its predecessor-in-interest "Book Stop Incorporated" first used is on February 1, 1980 (Exhibit A, par. 6) and likewise filed an application for the registration of the mark "CANDY CABINET" on May 11, 1989 starting therein February 1, 1980 as the date of first use (Exhibit "J" & "J-1") and said application was ripened to Registration No. 67919 on September 4, 1992.

Therefore, Opposer deserves protection under Section 4(d) of R.A. No. 166 as amended.

WHEREFORE, the Opposition is, as it is hereby given due course. The Application Serial No. 70408 filed by Asia Pearl Trading Co. for the mark "CARLS' CANDY CABINET & DEVICE" is hereby REJECTED.

Let the filewrapper of this case be transmitted to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision and be furnished a copy to the Trademark Examining Division to update its records.

SO ORDERED.

IGNACIO S. SAPALO
Director