

MISTER DONUT OF AMERICA, INC.,  
Opposer,

INTER PARTES CASE NO. 3351

-versus-

OPPOSITION TO:

Application Serial No. 63797  
Filed : February 3, 1988  
Applicant : Nation Confectionery,  
Inc.  
Trademark : MASTER DONUT  
Used on : Chocolates, milk and  
tablet candies

NATION CONFECTIONERY, INC.,  
Respondent-Applicant.  
x-----x

### DECISION

On March 20, 1989, Mister Donut of America, Inc. filed an Unverified Notice of Opposition against the registration of the trademark "MASTER DONUT" used on chocolates, milk and tablet candies applied for by Nation Confectionery, Inc. on February 3, 1988 under Application Serial No. 63797 published on Page 35, Volume II, No. 2 of the BPTTT Official Gazette dated and released for circulation on February 28, 1989.

Opposer is a foreign corporation organized and existing under the laws of the State of Minnesota, U.S.A., while Respondent-Applicant is a domestic corporation organized under the laws of the Philippines, with the business address at 102 Daez Street, Karuhatan Valenzuela City, Metro Manila, Philippines.

The grounds alleged in the Verified Notice of Opposition submitted on April 13, 1989 are:

"1. The registration of the captioned trademark is contrary to the provisions of Sec 4(d), Chapter II of Republic Act No. 166, as amended x x x

2. Opposer is the owner of the trademark MISTER DONUT and service mark MISTER DONUT duly registered with the Philippine Patent Office (now BPTTT) under Certificates of Registration Nos. 32203 and 29466 issued on July 28, 1983 and May 22, 1981, respectively. x x x

3. Opposer's MISTER DONUT MARKS are well known or world famous marks and the registration of respondent-applicant's MASTER DONUT trademark will constitute a violation of Article 6bis of the Convention of Paris for the Protection of Industrial Property in conjunction with the memoranda of the then Minister of Trade dated November 20, 1980 and October 25, 1983.

4. The registration of the captioned mark will cause confusion or mistake in view of the fact that it is confusingly similar to and/or is a colorable imitation of opposer's MISTER DONUT marks."

On April 12, 1989, Respondent-Applicant was notified of this Opposition and was required to file its Answer thereto within fifteen (15) days from receipt of notice.

In its answer seasonably filed on April 27, 1989, Respondent-Applicant denied the material allegations stated therein and made the following special and affirmative defenses:

“7. The aforementioned mark is used in connection with respondent-applicant’s chocolate milk tablet candies which mark was first used on the said goods since January 10, 1983 as reflected on plastic labels containing the same.

8. It is very clear, moreover, from opposer’s own Certificate of Registration Nos. 32203 and 29466 (Annexes ‘A’ and ‘B’, respectively, to unverified notice of opposition) that the latter disclaimed the word DONUT. Thus, respondent-applicant is legally entitled to use the same without violation of any of the laws mentioned in the said unverified notice of opposition x x x.

9. Furthermore, the goods of respondent-applicant refer to candies which are basically different from the goods protected by the aforementioned certificates of registration which are fundamentally bread and services. x x x

10. In view of the foregoing basic differences, there is not even a tendency to influence or mislead the purchasers of the goods owned by the opposer. x x x

11. Furthermore, the foregoing show that the alleged deliberate and well calculated scheme to take advantage of the popularity of opposer’s trademarks are not only preposterous but absurd.

12. Accordingly, the alleged continuing damage and serious impairment of opposer’s trademarks are mere conjectures and unfounded conclusion.”

Issues having been joined, the pre-trial conference was set to June 2, 1989. On that scheduled date of hearing, Respondent-Applicant failed to Appeal because it did not receive the said Notice of Pre-Trial Conference.

At the hearing of September 8, 1989, the parties jointly manifested that they would explore possibilities of settling the case amicably.

On November 24, 1989, the parties submitted Compromise Agreement, duly executed and signed by the litigants, assisted by their respective counsels, which provides that:

“1. Respondent-Applicant acknowledges that opposer is the registered owner of MISTER DONUT trademark under Certificates of Registration Nos. 32203 and 29466.

2. In view of the above, respondent-applicant is withdrawing its application for the registration of MASTER DONUT trademark with Serial No. 63797 filed before the honorable Office; and opposer has no objection to respondent-applicant’s Nation Donut Trademark that would be eventually applied for registration.

3. Respondent-Applicant, likewise, would undertake the necessary measure to effect cancellation of Certificates of Copyright Registration No. 07392 issued by the National Library.

The foregoing terms and conditions agreed upon by the parties are hereby approved as basis for the amicable settlement of this inter partes case.

WHEREFORE, this Notice of Opposition is DISMISSED for having become moot. Subject to the provisions of Item 2 of their Compromise Agreement, Application Serial Nos. 63797 for the mark “MASTER DONUT” is declared voluntarily WITHDRAWN.

Let the records of this case be transmitted to the Application, Issuance and Publication Division for Appropriate action in accordance with this Decision,

SO ORDERED.

IGNACIO S. SAPALO  
Director