

CARL KATCHER ENTERPRISES, INC., (substituted)
By: **CARLS JR. RESTAURANT LLC),** }
Opposer, }

-versus-

MAO-JEN LO, }
Respondent-Applicant. }

X-----X

IPC No. 14-2012-00335

Opposition to:
Appln. Serial No. 4-2011-014827
Date of Filed: 13 December 2011

**TM: DAKASI DEVICE &
CHINESE CHARACTERS**

NOTICE OF DECISION

JDF LAW

Counsel for Opposer
1502 One Global Place
5th Avenue corner 25th Street,
Bonifacio Global City, Taguig

ATTY. CHITO DIMACULANGAN

Counsel for Respondent- Applicant
Suite 2016, Cityland Ten Tower One
6815 N. Ayala Avenue, Makati City

GREETINGS:

Please be informed that Decision No. 2016 - 464 dated 14 December 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 15 December 2016.

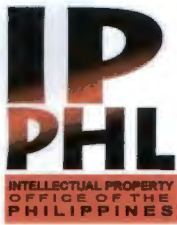
MARILYN F. RETUTAL

IPRS IV

Bureau of Legal Affairs

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

Intellectual Property Center # 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio,
Taguig City 1634 Philippines • www.ipophil.gov.ph
T: +632-2386300 • F: +632-5539480 • mail@ipophil.gov.ph



CARL KATCHER ENTERPRISES, INC.
(substituted by: **CARLS JR.**
RESTAURANTS LLC)

Opposer,

-versus-

MAO-JEN LO,
Respondent-Applicant.

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IPC NO. 14-2012-00335

Opposition to:
App. Ser. No. 4-2011- 014827
Date Filed: 13 December 2011

**TM: DAKASI DEVICE &
CHINESE CHARACTERS**

Decision No. 2016- 464

DECISION

CARL KATCHER ENTERPRISES, INC. ("CKE")¹ ("Opposer") filed an opposition to the Trademark Application Serial No. 4-2011-014827. The application filed by MAO-JEN LO² ("Respondent-Applicant"), covers the mark "DAKASI DEVICE & CHINESE CHARACTERS" for use on "milk tea; coffee; coffee-based beverages; tea based beverages; honey; iced tea; sherbets (ices); starch for food; sugar; essences for foodstuffs, except etheric essences and essential oils" under Class 30 and "fruit juices; non-alcoholic fruit extracts; non-alcoholic fruit juice beverages; fruit nectars; non-alcoholic; cocktails, non-alcoholic; non-alcoholic beverages; non-alcoholic honey-based beverages; sherbets (beverages); powders effervescing beverages; syrups for beverages" under Class 32 of the International Classification of Goods.³

The Opposer alleges, among others, the following:

"7. CKE is the owner of the "STAR LOGO" mark which the Intellectual Property Office of the Philippines granted Certificate of Registration No. 046470, registered 11 September 1989. xxx

"8. CKE has appointed a Philippine franchisee between the years 2000-2005 which operated and established Carl's Jr. restaurants at Glorietta Mall, SM City North EDSA and SM Megamall between the years 2000-2005.

xxx

"10. On 13 December 2011, Respondent-Applicant filed its Trademark Application No. 4-2011-014827 for the mark "DAKASI DEVICE & CHINESE CHARACTERS" for goods under Classes 30 and 32 described as follows:

x x x

¹ A corporation duly established and existing in accordance with the laws of U.S.A with principal address at 6307 Carpinteria Ave. Suite A, Carpinteria California 93013, U.S.A.

² A Taiwanese national with address at No. 31-113, Kuan Shi Village 6, Shui Shang Town, Chiayi Province, Taiwan represented by its agent Laguna Lake Trademarks P.O. Box 121, College Post Office, University of the Philippines Los Baños, Los Baños 4031, Laguna.

³ The service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

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"11. The " Smiling Face in a Shape of A Star" component of the DAKASI DEVICE & CHINESE CHARACTERS", hereinafter "DAKASI SMILING STAR" mark of the Respondent-Applicant's mark is identical and confusingly similar to the mark "STAR LOGO" and its variants, owned by CKE, for which Opposer and its goods and services are internationally well-known.

x x x

"12. Opposer's mark "STAR LOGO" and Applicant-Respondent's "DAKASI SMILING STAR" have the following similar components:

12.1. The predominant feature of Respondent's mark is single star. Opposer's "STAR LOGO" likewise consist of single star.

12.2. The star in "DAKASI DEVICE & CHINESE CHARACTERS" mark is a five-pointed star. The star used by Petitioner in its "STAR LOGO" is also five-pointed star.

12.3. A smiling face is drawn inside the star in both Opposer's and Respondent-Applicant's mark.

12.4. The competing marks are used on identical or related goods and services. xxx

"13. The registration of the mark "DAKASI DEVICE & CHINESE CHARACTERS" with the " Smiling Face in a Shape of a Star" component in the name of Respondent-Applicant will violate and contravene the provisions of Sec 123. 1 (d), (e), and (g) of the IP Code, as amended, which provides, viz:

x x x

"14. The subject mark is identical to and confusingly similar to Opposer's internationally well-known "STAR LOGO" trademark and its variants which is registered in the United States of America and elsewhere in the world, used and not abandoned by the Opposer.

"15. The "DAKASI SMILING STAR" when applied to or used in connection with the services of the Respondent-Applicant, is likely to cause confusion or mistake, or deceive the purchasers thereof not only as to the goods they are purchasing but also as to the origin or sponsorship of said goods.

"16. The registration of the mark "DAKASI DEVICE & CHINESE CHARACTERS" with the " Smiling Face in a Shape of A Star" component in the name of Respondent-Applicant will cause grave and irreparable injury and damage to the Opposer for which reason it opposes said application on the grounds set forth hereunder:

"A. Opposer is the prior adopter, user and owner of the mark "STAR LOGO" and its variants, in the United States of America and elsewhere in the world

x x x

"B. The Component of a "SMILING FACE IN THE SHAPE OF A STAR" in Respondent-APPLICANT's "DAKASI DEVICE & CHINESE CHARACTERS" mark is identical and confusingly similar with the Opposer's "STAR LOGO" trademark and its variants

x x x

"C. Opposer's mark "STAR LOGO" and its variants are internationally well-known

x x x

"D. As internationally well-known mark, Opposer's mark is entitled to the protection against confusingly similar marks covering similar or related goods and/or services.

x x x."

Opposer's evidence consists of the following:

1. Exhibit "A" to "A-5" - Legalized Special Power of Attorney/Secretary's Certificate;
2. Exhibit "B" to "B-1" - Certified true copy of Certificate of Registration No. 046470 for the mark STAR LOGO;
3. Exhibit "C" to "C-122" - Affidavit of Jennifer Fajelagutan and print-outs from Opposer's website <http://www.ckr.com>;
4. Exhibit "D" and sub-markings - Legalized and Authenticated Affidavit Direct Testimony of Charles A. Seigel;
5. Exhibit "E" and sub-markings - Legalized and Authenticated Affidavit Direct Testimony of Sarah Beno Couvillion;
6. Exhibit "F" and sub-markings - certified true copies of representative samples of certificates of registration worldwide of Opposer;
7. Exhibit "G" and sub-markings - photocopies of representative samples of CKE trademark registration worldwide;
8. Exhibit "H" to "H-90" - samples of advertising and promotions materials for products bearing the STAR LOGO;
9. Exhibit "I" and "I-1" - list of franchisees operating CKE stores outlets outside the U.S.;
10. Exhibits "J" to "J-4" and "K" to "K-18" - extracts of certain portions of Respondent-Applicant's websites and photos of its store;
11. Exhibit "L" and "L-1" - screenshots of selected Carl's Jr. and Hardees websites;
12. Exhibit "M" to "M-10" and "N" to "N-90" - printouts of CKE advertisements/promotions with STAR LOGO;
13. Exhibits "O" to "O-23" and "P" to "P-14" - listing of worldwide active registration and pending applications of the STAR LOGO; and
20. Exhibit "Q" to "Q-15" - photocopies of successful U.S.A. and foreign judgments rendered in favor of Opposer.

On 05 October 2012, this Bureau issued a Notice to Answer. Respondent-Registrant's representative Laguna Lake Trademarks received the Notice on 12 October 2012. On 11 November 2012, Respondent-Applicant through a certain R. Garcia Boldyrev filed a Motion for Extension of Time to file Answer. Opposer filed a Manifestation opposing the said Motion. A Second Motion for Extension of Time was filed on 14 December 2012. Subsequently, an Entry of Appearance with Attached Counter-Manifestation to Opposer's Manifestation was filed by a certain Atty. Gorospe manifesting that it will forego the filing of the answer and will withdraw the application for registration. Another Omnibus Motion was filed by another counsel for Respondent-Applicant requesting for a thirty-day extension to file answer and submit evidence and to require Respondent-Applicant's resident agent to manifest before this Bureau the date of receipt of the notice to answer. Opposer filed a Manifestation opposing the Omnibus Motion for being dilatory. On 10 January 2013 another Omnibus Motion was filed by Respondent-Applicant and on 22 January 2013 a New Motion for Extension of Time to File Verified Answer and Submit Evidence with Motion to Expunge, Strike Out or Deny Sham Pleadings and with Unpaid Filing Fees. On 29

January 2013, this Bureau issued an Order directing the counsels of Respondent-Applicant to show proof of their authority to represent Respondent-Applicant and manifest if it is withdrawing the application for registration. on 21 February 2013, the Verified Answer of Respondent-Applicant was filed through its counsel Atty. Chito Dimaculangan. A Consolidated Answer was also filed on 29 May 2013. On 03 July 2013, this Bureau issued Order No. 2013-996 granting the motions and confirming that the Answer filed on 21 February 2013 was well-within the reglementary period for filing the same.

In its Answer, Respondent-Applicant alleges, among others, the following Special/Affirmative Defenses:

"29. Procedurally, the Verified Notice of Opposition suffers from a fatal formal defects because the Verification and Certification of Non-Forum Shopping was executed by a person who was not authorized by the Board of Directors of the opposer ;

"30. The opposer has not submitted, to this date, the requisite board resolution issued by its Board of Directors that will prove the authority of any of the lawyers of JDF Law to sign the Verification and Certification of Non-Forum Shopping;

"31. Neither has the duly appointed Corporate Secretary of the opposer certified, by way of Secretary's Certificate, to the passage and approval by the Board of Directors of the opposer of the resolution authorizing JDF Law to file the instant Verified Notice of Opposition and for any of the lawyers of said law firm to sign the Verification and Certification of Non-Forum Shopping;

"32. The Special Power of Attorney annexed to the Verified Notice of Opposition cannot serve as the authority of the adverse counsel to file the instant case and sign the Verification and Certification of Non-Forum Shopping because Mr. Charles A. Seigel III who signed the Special Power of Attorney is neither a member of the Board of Directors of the opposer nor its duly appointed Company/Corporate Secretary;

"33. But more than that, opposer has no cause of action against respondent-applicant and has no valid or justifiable legal ground to oppose the registration of respondent-applicant's trademark DAKASI DEVICE AND CHINESE CHARACTERS;

"34. The unique and distinctive trademark DAKASI DEVICE AND CHINESE CHARACTERS is neither identical nor confusingly similar to the trademark STAR LOGO of opposer under Certificate of Registration No. 046470. In the first place, the trademark DAKASI DEVICE AND CHINESE CHARACTERS is used in goods in International Classes 30 and 32 while the STAR LOGO of Karl Katcher Enterprises, Inc. is a service mark on restaurant services in International Class 43;

"35. The trademark DAKASI DEVICE AND CHINESE CHARACTERS is a composite combination of words in Latin and Chinese Characters and a Star device while the STAR LOGO is simply the design of a star representing a giggling human face;

"36. A side by side comparison of respondent-applicant's star design and opposer's star logo show clear differences in appearance, color, form, positioning and commercial impression;

"37. The registration of the mark DAKASI DEVICE AND CHINESE CHARACTERS in the name of respondent-applicant will not likely mislead the buying public on the nature and origin of the goods because opposer has not been using in the Philippines its trademark

STAR LOGO since 2005. Opposer's conspicuous absence in the Philippine market precludes the claim of confusion to the consumer.

"38. More importantly, the goods of the herein parties flow through different channels of trade;

"39. Opposer's trademark has not been declared by competent authority of the Philippines or anywhere in the world for that matter to be 'well-known' internationally AND in the Philippines;

"40. Therefore, the institution of the present Notice of Opposition is downright premature in the absence of an expressed acknowledgement from a competent Philippine government agency that opposer's trademark has attained the worldwide fame and recognition;

"41. Respondent-applicant has every right to register the trademark DAKASI DEVICE AND CHINESE CHARACTERS in the Philippines because it is the true and rightful owner of the said trademark by reason of its real, actual and absolute use of the trademark in the concept of owner and its being the senior registrant and the first-to-file for the registration of the same in the Philippines for milk tea; coffee; coffee-based beverages; tea based beverages; honey; iced tea; sherbets (ices); starch for food; sugar; essences for foodstuffs, except etheric essences and essential oils in International Class 30, fruit juices; non-alcoholic fruit extracts; non-alcoholic fruit juice beverages; fruit nectars; non-alcoholic; cocktails, non-alcoholic; non-alcoholic beverages; non-alcoholic honey-based beverages; sherbets (beverages); powders effervescing beverages; syrups for beverages in International Class 32 and bar services, cafeterias, cafes, canteens, food and drink catering, hotels, restaurants, self-service restaurants, snack bars in International Class 43;

42. The application for registration of the trademark DAKASI DEVICE AND CHINESE CHARACTERS was allowed by the Bureau of Trademarks in accordance with the provisions of Republic Act No. 8293 and its implementing rules with respondent-applicant complying and completing all the pertinent requirements for registration and after the closest scrutiny and examination conducted by the Trademark Examiner and Director of that Bureau;

"43. Respondent-applicant adopted and started the use of the trademark DAKASI DEVICE AND CHINESE CHARACTERS in good faith;

"44. Opposer is barred by equitable principles of acquiescence, laches and estoppel from opposing the registration of the trademark DAKASI DEVICE AND CHINESE CHARACTERS."

The Respondent-Applicant's evidence consists of the following:

1. Exhibit "1" - Legalized Affidavit-Direct Testimony of Lo Mao-Jen;
2. Exhibits "2" to "12" - Copy of registrations of DAKASI marks issued in China;
3. Exhibit "13" - Copyright Certificate in Chinese;
4. Exhibit s"14" to "23" -copies of trademark registrations for the mark DAKASI marks issued in Hong Kong, Macau, and China;
5. Exhibits "24" -Certified true copy of Certificate of Registration No.4-2011-013735 for the mark DAKASI DEVICE AND CHINESE CHARACTERS for Class 43;
6. Exhibits "25" to "33" - copies of trademark applications of the mark DAKASI DEVICE AND CHINESE CHARACTERS filed in Jakarta and Malaysia;

7. Exhibits "34" to "45" -Photos of DAKASI branches in Metro Manila;
8. Exhibit "46" - Affidavit Direct Testimony of Chito Dimaculangan; and
9. Exhibit "47" - Legalized Special Power of Attorney of Respondent-Applicant;
10. Exhibit "48" - print-out of the relevant page of Opposer's website showing its management team;
11. Exhibit "49" - printout of the biographical data of Michael Murphy; and
12. Exhibit "5" - printout of Opposer's report to the US Securities and Exchange Commission from its site www.sec.gov.

On 23 August 2013, the case was referred to the Alternative Dispute Resolution (ADR) Services. However, the parties failed to settle their dispute. On 10 August 2015, the preliminary conference was terminated and the parties were directed to submit their respective position papers. On 24 August 2015, Opposer filed its Position Paper while Respondent-Applicant did so on 28 August 2015.

Should the Respondent-Applicant be allowed to register its mark **DAKASI DEVICE AND CHINESE CHARACTERS**?

Before going on to the main crux of the controversy, this Bureau will deal first with the technical or procedural issue. Respondent-Applicant posits that the Verified Notice of Opposition is fatally defective because Mr. Charles Seigel III was not authorized by Opposer's Board of Directors to issue or sign the Special Power of Attorney/ Secretary's Certificate that authorizes JDF Law and any of its lawyers to sign the Verification and Certification of Non-Forum Shopping.

A scrutiny of the Special Power of Attorney/Secretary's Certificate would show that Mr. Charles Seigel under oath certifies that the Board of Directors of Opposer approved in a resolution the appointment of JDF Law, its partners and associates, to sign the Verification and Certification of Non-Forum Shopping required in filing the Notice of Opposition against Respondent-Applicant's Trademark Application Serial No. 4-2011-014827 for the mark **DAKASI DEVICE AND CHINESE CHARACTERS**. The Board's resolution was copied verbatim in said Special Power of Attorney/Secretary's Certificate. Thus, this Bureau finds that the same is in substantial compliance of the required Special Power of Attorney or Secretary's Certificate under the Rules in order for JDF Law, its partners and associates, to sign in behalf of Opposer, the Verification and Certificate of Non-Forum Shopping.

Anent the main issue on whether the mark **DAKASI DEVICE AND CHINESE CHARACTERS** should be registered, Opposer anchors its opposition on **Section 123.1 (d) and (e)** of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines ("IP Code) provides:

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

x x x

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large,

including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

Pursuant to the above provision, a mark cannot be registered if it is identical or confusingly similar to a registered mark; to a mark which has earlier or prior filing date; and to a well-known mark.

The records show that at the time Respondent-Applicant filed its application for registration of its mark DAKASI DEVICE AND CHINESE CHARACTERS on 13 December 2011, Opposer already has an existing registration for the mark STAR LOGO issued on 11 September 1989. But are the marks of Opposer and Respondent-Applicant identical or confusingly similar so as to prevent the registration of the latter's mark? The competing marks are reproduced below for comparison:



Opposer's Mark



Respondent-Applicant's Mark

Opposer's STAR LOGO consists of the a star with a smiling face inside the star. On the other hand, Respondent-Applicant's mark is a composite mark which consists of the word "DAKASI" transliterated from Chinese, the three (3) Chinese characters placed on top and a star with smiling face device on the left part of the mark. The three (3) Chinese characters which sounds DA-KA-SI in English means "big", "to be jammed" and "to be in charge of" respectively but when joined together to form the word DAKASI has no equivalent meaning. Thus, from the comparison, the common element that can be found in both marks is the STAR device with a smiling face, which is the mark of Opposer itself. However, the presence of the STAR device with a smiling face in Respondent-Applicant's mark does not automatically makes it confusingly similar with Opposer's mark.

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademark pictured in their manner of display. Inspection should be undertaken from the viewpoint of the prospective buyer. The trademark complained of should be compared and contrasted with the purchaser's memory (not in juxtaposition) of the trademark said to be infringed. Some such factors as "sound; appearance; form, style, shape, size or format; color; ideas connoted by marks; the meaning, spelling and pronunciation, of words used; and the setting in which the words appear" may be considered.⁴ Thus, confusion is likely between marks only if their overall presentation as to sound, appearance or meaning would make it possible for consumers to believe that the goods or products, to which the marks are attached, comes from the same source or are connected or associated with each other.

In this case, in Respondent-Applicant's composite mark DAKASI DEVICE AND CHINESE CHARACTERS, the word DAKASI is the most distinguishing element or feature. This is the element of the mark that sticks to the mind of the consumers and is easy to recall. When the product bearing the DAKASI mark is advertised in any platform, what strikes the eye or what one hears is the word DAKASI, not the star device. A star device is a commonly used element in many composite marks. In the IPOPHL's Trademark Register alone, there are thousands of marks

⁴ *Etepha A.G. v. Director of Patents*, G.R. No. L-20635, 31 March 1966.

consisting of a various representation of star as a standalone mark or as part of a composite mark. As such, the mere presence of the star with a smiling face in Respondent-Applicant's mark is not sufficient to make it confusingly similar to Opposer's. Besides, even the star device with a smiling face in Respondent-Applicant's mark is not identical or similar to Opposer's STAR LOGO.

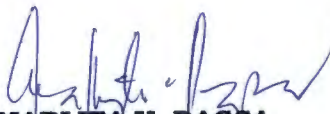
Furthermore, the goods/services of the parties are also non-competing or unrelated. Respondent-Applicant's mark is used in "*milk tea; coffee; coffee-based beverages; tea based beverages; honey; iced tea; sherbets (ices); starch for food; sugar; essences for foodstuffs, except etheric essences and essential oils*" under Class 30 and "*fruit juices; non-alcoholic fruit extracts; non-alcoholic fruit juice beverages; fruit nectars; non-alcoholic; cocktails, non-alcoholic; non-alcoholic beverages; non-alcoholic honey-based beverages; sherbets (beverages); powders effervescing beverages; syrups for beverages*" under Class 32. On the other hand, Opposer's STAR LOGO is used on "*restaurant services*". Thus, the registration of Respondent-Applicant's mark will not likely cause confusion, mistake or deception on the part of the public.

Finally, 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.⁵ The mark of Respondent-Applicant meets this function.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2011-014827 , together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 14 DEC 2016


MARLITA V. DAGOSA
Adjudication Officer
Bureau of Legal Affairs

⁵ See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.