Paper No. 49
PTH

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Ramar International Corporation
v.
San Miguel Corporation

Opposition Nos. 91,065 and 93,227
to application Serial Nos. 74/207,923 and 74/383,406[1]
filed on September 30, 1991 and April 23, 1993

R. Gwen Lipsey of Townsend and Townsend and Crew LLP for Ramar International Corporation.

Francie R. Gorowitz of Ladas & Parry for San Miguel Corporation.

Before Quinn, Hairston and Chapman, Administrative Trademark Judges.

Opinion by Hairston, Administrative Trademark Judge:

Ramar International Corporation has opposed the application of San Miguel Corporation to register the mark

[1] On August 19, 1998 applicant filed an abandonment, without the written consent of opposer, of application Serial No. 74/383,406 which is the subject of Opposition No. 93,227. The Board, in an order mailed March 1, 1999, stated that upon termination of the consolidated proceedings, judgment would be entered against applicant in Opposition No. 93,227 under Rule 2.135. In view thereof, judgment is hereby entered against applicant in

MAGNOLIA as shown below for ice cream.[2]

Opposer alleges that since around 1971 it has used the mark MAGNOLIA in connection with ice cream and that applicant's mark MAGNOLIA and design, if used in connection with the identified goods, so resembles opposer's MAGNOLIA mark for ice cream, as to be likely to cause confusion. In addition, opposer alleges that since at least 1987 applicant knew of opposer's use of the MAGNOLIA mark and that applicant committed fraud on the Patent and Trademark Office when it filed its application asserting that no other person, firm, corporation, or association had the right to use the MAGNOLIA mark in commerce.

Opposition No. 93,227. Thus, our discussion herein is limited to Opposition No. 91,065.

[2] Application Serial No. 74/207,923 filed September 30, 1991, claiming a bona fide intention to use the mark in commerce.

Applicant, in its answer, denied the salient allegations of the notice of opposition.

The record consists of the pleadings; the file of the involved application; the deposition (with exhibits) of opposer’s president and general manager, Primo Quesada; and opposer’s notice of reliance on certain of applicant’s responses to interrogatories and requests for admissions. No testimony or other evidence has been introduced by applicant. Only opposer filed a brief herein and no oral hearing was requested.

The record shows that opposer is a family-owned business which was started in 1969 by Ramon and Maria Quesada, husband and wife proprietors, who emigrated from the Philippines. The business began as a single store in Mountain View, California which sold gift items, wood carvings, jewelry and food items. At that time, the legal name of the business was QTE Corporation and the trade name was Orientex. In the late 1970’s, opposer’s name was changed to Ramar International Corporation to honor the founders Ramon and Maria. Opposer’s business has grown through the years and it is now a million dollar company with offices and a production facility located in Oakland, California.

According to opposer’s president, Mr. Quesada, opposer began selling Philippine style ice cream at its Mountain View, California store at least as early as 1973. The lids on the containers for the ice cream contained the designation “It’s Magnolia Quality” reproduced below.

Opposer also sold ice cream to other retail stores in the Southern California area and lids bearing the same designation were used.

By 1978 opposer had grown to a wholesale operation of mostly food items. Opposer imported food products from the Philippines and distributed them to local stores. Also around this time, opposer began using the mark MAGNOLIA as shown below on containers for its ice cream as well as in advertising.

Around 1979 opposer split into wholesale and retail operations and its customer base expanded to include distributors in Hawaii, Chicago, Detroit and New York. In approximately 1984 opposer began manufacturing its own ice cream products rather than having outside vendors do so. It has continued to use the MAGNOLIA mark on all of its ice cream products.

Opposer has spent hundreds of thousands of dollars in advertising its products. It has advertised on ethnic television stations in California, New York, Chicago and Los Angeles and in the magazine Filipinas.

According to Mr. Quesada, on July 22, 1987, applicant's attorney sent a letter to opposer demanding that opposer stop using the MAGNOLIA mark. In a response dated August 3, 1987 opposer's attorney advised applicant's attorney that opposer had been using the mark for approximately fifteen years and that it would not discontinue use of the mark for its ice cream products.

Mr. Quesada also testified that Richard Reynoso was for many years a distributor of opposer's MAGNOLIA brand ice cream to customers in the Southern California area. Despite this distributor relationship with opposer, Mr. Reynoso filed a California state trademark application for the mark MAGNOLIA, claiming that he was the first user and owner of the mark. After obtaining a state registration, Mr. Reynoso, in 1991, sued opposer in the Superior Court of California of Los Angeles and demanded that opposer stop using the MAGNOLIA mark. The court found that opposer had priority of use and ordered the California state trademark registration canceled. Applicant, in its responses to opposer's requests for admissions, admitted that it was aware of the Reynoso lawsuit and admitted that it communicated with, cooperated with, and provided financial assistance to Mr. Reynoso in the suit.

Inasmuch as applicant did not take testimony or offer any other evidence herein, we have no information concerning applicant's business activities.

Turning first to the issue of priority, the testimony of opposer's president Mr. Quesada, which is corroborated by exhibits, shows that opposer has used the MAGNOLIA mark since well prior to September 30, 1991, the filing date of applicant's intent-to-use application, and the earliest date on which applicant may rely.

Turning next to the issue of likelihood of confusion, inasmuch as the marks and goods of the parties are identical, there is no question that there is a likelihood of confusion. Purchasers familiar with opposer's ice cream sold under the MAGNOLIA mark, upon encountering applicant's identical MAGNOLIA mark for identical goods, would be likely to believe that the goods originated from the same source.

We turn finally to opposer's claim of fraud. Fraud in procuring a trademark registration occurs when an applicant for registration knowingly makes false, material representations of fact in connection with an application to register. See Torres v. Cantine Torresella S.r.l., 808 F.2d

46, 1 USPQ2d 1483 (Fed. Cir. 1986). A party making a claim of fraud against the Patent and Trademark Office is under a heavy burden since fraud must be proved by clear and convincing evidence, leaving nothing to speculation, conjecture or surmise. Further, there is a material legal distinction between a “false” representation and a “fraudulent” one, the latter involving an intent to deceive, whereas the former may be occasioned by a misunderstanding, an inadvertence, a mere negligent omission, or the like. See Girard Polly-Pig, Inc. v. Polly-Pig by Knapp, Inc., 217 USPQ 1338 (TTAB 1983) and cases cited therein. In this case, even though applicant has made no argument against the claim of fraud, we find that opposer has not proven fraud by clear and convincing evidence. In particular, it is not clear that applicant’s representation that it was the owner of the MAGNOLIA mark was not occasioned by a misunderstanding or the like. We note, in this regard, that in the July 22, 1987 letter sent by applicant’s attorney to opposer’s attorney, it was pointed out that applicant had made widespread use of the MAGNOLIA mark on ice cream and other products in the Philippines such that the mark was well known, and that the MAGNOLIA mark had been displayed in association with applicant’s products in the United States. While the use of a mark in a foreign country creates no rights in the United States, we cannot go so far as to say that, based on the record before us, applicant's representation that it was the owner of the MAGNOLIA mark and that no other person, firm, corporation or association had the right to use the mark in commerce was made with an intent to deceive. Also, it is not enough that applicant knew of and even assisted Mr. Reynoso in his lawsuit against opposer inasmuch as the Court's finding therein concerned priority of use of the MAGNOLIA mark vis-à-vis opposer and Mr. Reynoso. There was no determination of priority vis-à-vis opposer and applicant, and thus we cannot say that, as a result of the lawsuit, applicant knew that opposer possessed superior rights to applicant. In sum, opposer has not proven fraud by clear and convincing evidence.

Decision: Opposition No. 91,065 is sustained under Section 2(d) of the Trademark Act.

T. J. Quinn

P. T. Hairston

B. A. Chapman
Administrative Trademark Judges, Trademark Trial and Appeal Board