

BAYER AKTIENGSELLSCHAFT,
Opposer,

INTER PARTES CASE NO. 3123

-versus

Opposition to:

Application Serial No.: 49630
Filed: November 12, 1982
Applicant: Vulcan Chemical
Corporation
Trademark: VULCASEAL
Used On: Sealant/ adhesive

VULCAN CHEMICAL CORPORATION
Respondent-Applicant.

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DECISION NO. 90-3 (TM)
February 8, 1990

DECISION

On June 23, 1988, Bayer Aktiengesellschaft filed an unverified Notice of Opposition against the registration of the mark "VULCASEAL" used on sealant/adhesive products applied for by Vulcan Chemical Corporation on November 12, 1982 in Application Serial No. 59385, published on Page 129, Volume I, No. 3 of the BPTTT Official Gazette dated and released for circulation on May 23, 1988.

Opposer is a foreign firm located and doing business at 5090 Leverkusens-Bayerwerk, West Germany, while Respondent-Applicant is a domestic corporation, with business address at the 8th Floor, Quad Alpha Centrum Building, 125 Pioneer Street, Mandaluyong, Metro Manila, Philippines.

The ground alleged in the opposition is:

"THE REGISTRATION OF THE MARK "VULCASEAL" IN THE NAME OF RESPONDENT-APPLICANT IS PRESCRIBED BY SEC. 4 (D) OF REPUBLIC ACT NO. 166, AS AMENDED."

On August 23, 1988, Respondent-Applicant was notified of this opposition and was required to file its Answer thereto within fifteen (15) days from receipt of the notice.

In its Answer seasonably filed on August 22, 1988, Respondent-Applicant denied the material allegations stated therein and made the following special and affirmative defenses:

"5. Respondent's mark 'VULCASEAL' is derived from respondent's corporate name; that the name 'Vulcan' was first registered as part of a corporate name in 1953 which has acquired a reputation as a manufacturer of adhesives and other related products; that in 1978, respondent formulated the sealant/adhesive 'VULCASEAL', which mark is a combination of the words 'VULCAN' and 'SEALANT' to specify the basic function of the product;

6. That ever since the introduction of the product in 1978, respondent's use of the mark 'VULCASEAL' has never been questioned by any party, not even by opposer, which claims to have used the mark 'VULKASIL' continuously in commerce in the Philippines since 1957;

7. Respondent's mark 'VULCASEAL' is entirely different from and has no confusing similarity to opposer's mark 'VULKASIL'; that the mark 'VULCASEAL' as heretofore mentioned is a combination of the words 'VULCAN' and 'SEALANT', while the

mark 'VULKASIL' is probably derived from the words 'VULCANIZED' and 'SILICA', which is the main component of opposer's product;

8. Respondent's mark 'VULCASEAL' is used to identify one of its sealant/adhesive products, while opposer's mark 'VULKASIL' are each used in connection with unrelated goods or products and which are non-competitive-

- (a) Respondent's mark 'VULCASEAL' is used to identify one of its sealant/adhesive products, while opposer's mark 'VULKASIL' is used to identify its reinforcing precipitated silica powder;
- (b) Respondent's sealant/adhesive bearing the mark 'VULCASEAL' and opposer's reinforcing precipitated silica powder bearing the mark 'VULKASIL' do not possess the same physical characteristics attributes or essential characteristics with reference to their form, composition, texture or quality;
- (c) Respondent's sealant/adhesive bearing the mark 'VULCASEAL' and opposer's reinforcing precipitated silica powder bearing the mark 'VULKASIL' do not serve the same purpose;
- (d) Respondent's seal/adhesive bearing the mark 'VULCASEAL' and opposer's reinforcing precipitated silica powder bearing the mark 'VULKASIL' are not sold through the same outlets or channels of distribution: on the one hand, the sealant/adhesive 'VULCASEAL' is sold nationwide through hardware stores, supermarkets and bookstores and directly to industrial/manufacturing plants, while opposer's reinforcing precipitated silica powder is either sold directly to manufacturers of adhesives, paints, rubber, plastics and other related products, or is sold through its authorized distributors;

so much so that respondent's product x x x does not cause confusion with opposer's product x x x.

9. Moreover, respondent and opposer do not have competing business, and that in fact opposer is a major supplier of respondent's raw materials used in the manufacture of the sealant/adhesive bearing the mark 'VULCASEAL';

10. Opposer, in failing to take positive action to stop respondent from using in commerce the mark 'VULCASEAL', which had been in use nationwide in the Philippines since 1978, is in estoppel, and such failure to act is tantamount to an admission on opposer's part that the mark 'VULCASEAL', which has become distinctive of respondent's sealant/adhesive bearing said mark, will in no way deceive or likely to deceive the public; neither may said sealant/adhesive bearing respondent's mark 'VULCASEAL' be mistaken for having originated from opposer, nor that there is present a connection between the business of respondent with that of opposer."

Issue joined, the pre-trial conference was set to November 24, 1988 but was reset to December 9, 1988. More resetting were made, by agreement of the parties, as they are in negotiation for an amicable settlement of the case.

On January 16, 1990, the parties submitted a Compromise Agreement which provides:

"I

- 1.1 The respondent-applicant Vulcan Chemical Corporation (hereinafter referred to as VULCAN undertakes to refrain from asserting rights deriving from the registration and use of the mark VULCASEAL against the trademark VULKASIL of the registrant opposer Bayer Aktiengesellschaft (hereinafter referred to as

BAYER) and also tolerate new registrations as well as registrations of modifications of the prior trademark.

1.2 Furthermore, VULCAN undertakes

- a) to register the trademark VULCASEAL only for the goods 'sealants/adhesives ready for use' and only in the Philippines and in the ASEAN countries, namely, Malaysia, Indonesia, Thailand, Singapore and Brunei, in which countries VULCAN intends to manufacture said goods by itself, or through joint venture arrangements, or on a licensing basis.
- b) To use the trademark VULCASEAL only in the Philippines and in the above named ASEAN countries and only for the goods 'sealants/adhesive' ready for use.

II

This Agreement shall also apply to associated companies which have registered or used identical trademarks for the same products. Furthermore, the parties undertake to impose the obligations under this Agreement upon any of their legal successors.”

The Compromise Agreement was duly signed by the parties, through their respective counsels, and the provisions thereof being fair, equitable and not contrary to office and public policies, the same is hereby APPROVED as basis for the settlement and termination of the case.

WHEREFORE, this Notice of Opposition is DISMISSED for having become moot. Subject to the aforequoted provisions of their Compromise Agreement, Application Serial No. 59385 is hereby given due course.

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

SO ORDERED.

IGNACIO S. SAPALO
Director