

CARGILL PALM PRODUCTS
SDN BHD,

Petitioner,
-versus-

PT. SINAR MAS AGRO RESOURCES &
TECHNOLOGY TBK,

Respondent.

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Inter Partes Case No. 14-2010-00097

Cancellation of:
Reg. No. 4-2007-005477
Date Issued: 25 August 2008

TM: "I-SOC"

Decision No. 2011-75

DECISION

CARGILL PALM PRODUCTS SDN. BHD. ("Petitioner"), a foreign corporation organized and existing under the laws of Malaysia, with principal office at Level 17, Tower B, Wisma Pantai, No. 5, Jalan 4/83A, Off Jalan Panatai Baru, 59200, Kuala Lumpur, Malaysia, filed on 07 May 2010 a petition for the cancellation of Certificate of Reg. No. 4-2007-005477. The registration, issued on 25 August 2008 to PT. SINAR MAS AGRO RESOURCES & TECHNOLOGY TBK ("Respondent-Registrant") of B11 Plaza, Tower 11, 20th Floor, Jl. M.H. Thamrin No.51, Jakarta 10350, Indonesia, covers the mark "I-SOC" for use on "*cocoa butter substitute*" under Class 29 of the International Classification of Goods. The Petitioner alleges, among other things, the following:

1. Petitioner is the true owner and prior user and adopter of the trademark "HYSOC", by virtue of its Certificate of Registration No. 4-2004-004934, issued on December 18, 2006. Considering that the mark "I-SOC" of Respondent-Registrant is identical to, or confusingly similar with the Petitioner's mark "HYSOC", the former should have not been registered in the name of Respondent-Registrant pursuant to Section 123.1 (d) of the IP Code. As the true owner of, and having superior rights over "HYSOC", Petitioner hereby seeks the immediate cancellation of the subject registration in accordance with Section 151.1 (b) of the IP Code in relation to Section 123 of the IP Code;
2. Even without Petitioner's Certificate of Registration No. 4-2004-004934, the "HYSOC" mark of Petitioner is already well-known. Hence, under Section 123.1 (e) and Section 123.1 (f) of the IP Code. "I-SOC" should have not been registered under the name of Respondent-Registrant;
3. The continued registration of "I-SOC" will enable the Respondent-Registrant to unfairly profit commercially from the goodwill, fame, and notoriety of the trademark "HYSOC", to the damage and prejudice of the Petitioner herein contrary to Section 168.1 of the IP Code; and
4. Respondent-Registrant's use and registration of the trademark "I-SOC" will diminish the distinctiveness and dilute the goodwill of Petitioner's mark "HYSOC".
5. The foregoing grounds are hereby pleaded in compliance with Section 153 and 134 of the IP Code and for the purpose of showing that registration of "I-SOC" is prohibited under the IP Code. Petitioner reserves its rights to file separate actions(s) for infringement under Section 147 and related sections and/or unfair competition under Section 168 and related sections of the IP Code, and/or Intellectual Property Violation under Section 165 and related sections of the IP Code.

6. The legal existence of Petitioner has already been recognized by the Intellectual Property Office (IPO), which has granted and/or issued on its name Trademark Registration No. 4-2004-004934 covering the trademark "HYSOC" used on goods in Class 29. A certified copy of Trademark Registration No. 4-2004-004934 is being identified and marked as an Exhibit and submitted under a separate Affidavit attached to this Petition."

The Petitioner's evidence consists of the following:

1. Exh. "A": Affidavit of Phang Yew Wai, an officer of Cargill Palm Products Sdn. BHD, executed on 27 April 2010;
2. Exh. "B": Affidavit of Atty. Amando Aumento Jr., and Associate of Federis & Associates Law Offices, executed on 17 May 2010;
3. Exh. "C": Special Power of Attorney, executed on 15 April 2010, by Cargill Palm Products Sdn. BHD in favor of Federis & Associates its lawyers;
4. Exh. "D": Certified copy of the Verified Notice of Opposition *entitled "Cargill Palm Products Sdn. BHD vs. Pt. Sinar Mas Agro Resources & Technology Tbk"* filed on 17 March 2008;
5. Exh. "E": Affidavit of Chai Boey Wah, the director of Cargill Palm Products Sdn. BHD, executed on 15 April 2010;
6. Exh. "G": A legalized Special Power of Attorney issued by Cargill Palm Products Sdn. BHD in favor of Federis & Associates Law Offices, executed on 15 April 2010;
7. Exh. "H": Advertising materials for the promotion of "HYSOC" trademark;
8. Exh. "I": Invoices and receipts showing sales of goods bearing the mark HYSOC;
9. Exh. "J": A photo of actual samples of packaging materials of products bearing the mark "HYSOC";
10. Exh. "K" to "K-8": Trademark registrations for "HYSOC" issued to Cargill Palm Products Sdn. BHD. In different countries;
11. Exh. "L": Printout of website showing the details of Cargill Philippines, Inc., the Philippine distributor of Cargill Palm Products Sdn. BHD.'s products;
12. Exh. "M": Printout of website showing the details of BNC Ingredients Corporation, the Philippine distributor of HYSOC products;
13. Exh. "N": Printout of website showing of Cargill Palm Products Sdn. BHD.'s products, history and other relevant information;
14. Exh. "O": Printout of website showing HYSOC Products; and
15. Exh. "P": Philippine trademark registration for HYSOC covered by Trademark Registration No. 4-2004-004934.

The Respondent-Applicant filed on 02 December 2010 its Verified Answer, in which it denies the material allegations of the Petitioner, alleging that its mark is neither confusingly similar to or is a colorable imitation of the Petitioner's, and that it has registered or has pending

applications for registration of mark "I-SOC" in other countries. The said party submitted the following as evidence:

1. Exh. "A": Cert. Of Reg. No. 4-2007-005477 for the mark I-SOC issued on 25 August 2008 in the name of PT Senar Maj Agro Resources & Technology TBK;
2. Exh. "B" and "B-1": Certified true copy of Reg. No. ID1100B0/56695 for the mark I-SOC issued in China;
3. Exh. "C": Cert. of Reg. 07014792 issued on 30 July 2007 for the mark I-SOC by Malaysia ;
4. Exh. "D" to "D-2": Cert. of Reg. 361131 for the mark I-SOC by Russia;
5. Exh. "E": Cert. of Reg. TO712953D for the mark I-SOC issued on 28 October 2010 by Singapore;
6. Exh. "F" and "F-1": Cert. of Reg. 361131 for the mark I-SOC issued by Thailand No. Kor286310;
7. Exh. "G" and "G-1": Cert. of Reg. 200752712 for the mark I-SOC issued by Turkey;
8. Exh. "H" to "H-4": Cert. of Reg. for the mark I-SOC issued by Vietnam;
9. Exh. "I": Consolidated list of registered and pending trademark application of P.T. Smart TBK for the mark I-SOC;
10. Exh. "J": Cert. of Reg. for the mark I-SOC issued by Brunei;
11. Exh. "K": Cert. of Reg. for the mark I-SOC issued by India;
12. Exh. "L" to "L-2": Cert. of Reg. for the mark I-SOC issued by Japan;
13. Exh. "M": Cert. of Reg. for the mark I-SOC issued by New Zealand;
14. Exh. "N": Cert. of Reg. for the mark I-SOC issued by Pakistan;
15. Exh. "Q" to "Q-3": Packaging materials or specimens of use of the mark I-SOC; and
16. Exh. "R" to "R-2": Certified true copy of the Bill of Lading and invoice from PT. SMART TBK, as exporter to a Philippine Company, Minola Refining Corporation.

Should the Respondent-Registrant's Certificate of Registration be cancelled?

A comparison of the competing marks shows that the Respondent-Registrant's mark has a striking resemblance to the Petitioner's. Both marks have almost the same numbers of letters and syllables. The two (2) marks look and sound alike notwithstanding that the first syllable of the Petitioner's mark is "HY" and the first syllable of the Respondent-Registrant's is "I". In fact, "HY" rhymes with "I".

Considering that both marks are used on exactly the same goods, "*cocoa butter substitute*", these marks therefore, are confusingly similar. It is likely that the consumers will confuse one party's product with that of the other. Moreover, the consumers will have the impression that these products originate from a single source or the origin thereof are connected

or associated with one another. The likelihood of confusion therefore, would even subsist not only on the purchaser's perception of the goods but on the origin thereof as held by the Supreme Court. The consumers may tend to believe that there is a connection or affiliation between parties.

Aptly, the competing marks which belong to different proprietors should not be allowed to co-exist. 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 of his product.

Section 138 R.A. No. 8293, ("IP Code") provides:

Sec.138. Certificate of Registration - A Certificate of Registration of a mark should be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.

Corollarily, Sec. 151, IP Code, states in part that:

Sec.151 Cancellation- 151.1. A Petition to Cancel a registration of a mark under this act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this act as follows: (a) within five (5) years from the date of registration of a mark under this Act. x x x

Thus, the law allows any person, like the petitioner in this instance, to file a petition to cancel a trademark registration if that person believes that he would be damaged by the registration. As discussed above, there is a likelihood of confusion as to the goods as well as to the origin thereof. Once filed, a cancellation proceeding becomes basically, a review of the trademark registration in question to determine if the legal requirement for registration have been fully satisfied and if the maintenance or continuance of Respondent-Registrant's trademark in the trademark registry would damage the Petitioner. The Supreme Court held:

"By itself, a registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same x x x

"Registration, without more, does not confirm upon the registrant an absolute right to the registered mark. The Certification of Registration is merely a prima facie proof that the registrant is the owner of the registered mark or tradename. Evidence of prior and continuous use of mark or tradename by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared the owner in an appropriate case."

The records and evidence show that the Petitioner filed the application for the registration of the mark HYSOC in the Philippines in 2004 and was issued certificate of Reg. No. 4-2004-004934, on 18 December 2006. The Respondent-Registrant's on the other hand, was registered in the Philippines under Reg. No. 4-2007-005477 issued only on 25 August 2008 on "*cocoa butter substitute*" under Class 29.

Thus, considering that the mark HYSOC is already in use, and registered by the Petitioner in the Philippines for that matter, long before the Respondent-Registrant filed its trademark application, the registration of the mark I-SOC is proscribed by Sec.123.1(d) of the IP

Code, which states that a mark cannot be registered if its identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of: the same goods or services, or closely related goods or services, or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

The Respondent-Registrant may have submitted as evidence indicating the registration or filing of trademark application for the mark I-SOC in other countries. A scrutiny of this document, however, shows that the applications were filed or the registration was issued only starting in 2007. The Petitioner's trademark applications and registrations in the Philippines and in other countries preceded the Respondent-Registrant's, specifically, in the years 2004 and 2005.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby GRANTED. Let the filewrapper of Trademark Registration No. 4-2007-005477 be returned, together with a copy of this Decision, to the Bureau of Trademark for appropriate action.

SO ORDERED.

22 September 2011, Taguig City.