

FOOD INDUSTRIES, INC.,  
Opposer,  
- versus -

IPC 14-2005-00102

Opposition to:  
TM Application No. 4-2003-005515  
(Filing Date: 29 October 1997)

L.G. ATKIMSON IMPORT-EXPORT  
INC.,

Respondent-Applicant.

TM: "ACQUA-CHLON"

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Decision No. 2006 - 152

## DECISION

This pertains to an Opposition filed on 26 August 2005 by herein Opposer, FOOD INDUSTRIES, INC., a company organized under the laws of the Philippines, with principal office address at 7582 De la Rosa St. 1231 Makati City, against the application filed on 29 October 1997 bearing Serial No. 4-1997-126063 for the registration of the trademark "ACQUA-CHLON" used for goods in Class 1, of the application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 28 July 2005, volume X, no. 2.

The Respondent-Applicant in the instant is L.G. ATKIMSON IMPORT-EXPORT INC., with postal address at Atkimson Building, 627 Del Monte Ave., Quezon City.

In support of the opposition to the registration of the trademark, Opposer enumerates the following grounds, to wit:

1. "Opposer is the registered owner and first user of the trademark AQUACLOR used on calcium hypochlorite in Class 1. The opposed application is the registration of the confusingly similar likely, when applied to or used in connection with the goods of Applicant, to create a connection between the Applicant's goods and Opposer, and damage the latter's interests as owner of the AQUACLOR trademark".
2. "The registration of the trademark AQUA-CHLON in the name of the Applicant will violate Section 123.1(d) of the Intellectual Property Code, Republic Act No. 8293."
3. "The registration and use by Applicant of the trademark AQUA-CHLON will diminish the distinctiveness and dilute the goodwill of Opposer's trademark AQUACLOR. The trademark AQUACLOR has been registered in Opposer's name in the Intellectual Property Office since 1998, with Registration No. 66230 and issued on 04 November 1998.
4. "Applicant's adoption of the confusingly similar trademark AQUA-CHLON on its goods likely to indicate a connection between the Applicant and the Opposer which has been identified as the owner of the trademark AQUACLOR."
5. "Applicant's unauthorized and use of the trademark AQUA-CHLON infringes upon Opposer's right to trademark AQUACLOR."
6. "The registration of the trademark AQUA-CHLON in the name of the Applicant is contrary to other provisions of the Intellectual Property Code.

Opposer will prove and rely upon, on the facts enumerated as follows:

1. "Opposer is engaged in the business of manufacturing and distributing a variety of consumer products one of which bears the mark AQUACLOR. Opposer has adopted, used and registered the trademark AQUACLOR for calcium hypochlorite which Opposer

has been actively promoting and selling all over the Philippines. Opposer has been commercially using the trademark AQUACLOR since June 3, 1980, long before the appropriation and use of the confusingly similar trademark by the Applicant.”

2. “Opposer is the owner and first user of the trademark AQUACLOR which has been registered in its name with the Intellectual Property Office for calcium hypochlorite and is entitled to broad legal protection against unauthorized users like the Applicant who has appropriated it for its own goods.”

3. “Applicant appropriation of the confusingly similar trademark AQUA-CHLON in respect of identical goods falsely indicates a connection between Applicant’s goods and those of Opposer, which has been identified as the owner of the trademark AQUACLOR, and will damage Opposer’s interests as registered owner of the trademark.”

4. “The registration and use of a confusingly similar trademark by Applicant will diminish the distinctiveness and dilute and goodwill of Opposer’s trademark.”

Respondent-Applicant, in its Answer dated 17 February 2006 admitted the averments in paragraph 3 only as regard application for registration of the mark AQUA-CHLON. It however denied the allegations in paragraphs 1, 2, 4, 5, 6, 7, of the Opposition.

Further, special and affirmative defenses are set forth as follows:

b. “BACKGROUND AND BUSINESS REPUTATION OF THE RESPONDENT-APPLICANT: L.G. ATKIMSON IMPORT-EXPORT INC. is an importer, exporter, wholesaler and retailer of raw materials and used by various industries, like textile, pulp and paper, sugar, cosmetics, drugs, pharmaceuticals, steel, food and beverage, construction, paints, soap and detergents, environmental protection, hotels and restaurants, chemicals and others.”

c. “It is a member of the AATCC (American Association of Textile Chemist and Colorist), PACST(Philippine Association of Chemical Suppliers, Inc.), PCAPI (Pollution Control Association of the Philippines, Inc.) and SIGAP (Screen Imaging and Graphic Association of the Philippines).”

d. “The corporation was established in 1967 and registered with the Securities and Exchange Commission on January 9, 1974 with No. 54160 and with main objective of providing industrial companies with quality products at competitive prices. It has its main offices at Atkimson Building, 627 Del Monte Ave., Quezon City”.

e. “FILING OF THE TRADEMARK: Respondent-Applicant filed its petition for the trademark AQUA-CHLON on 26 October 1997. (Attached herewith as Exhibit 3 is a copy of the petition)”

f. “On 22 December 1997, the then Bureau of Patents, Trademarks and Technology Transfer mailed an acknowledgement of the payment of the required fee for the registration of the mark. (Attached hereto as Exhibit 4)”

g. “On 04 November 2002, an Order was promulgated by Director Leny B. Raz of the Bureau of Trademarks of the Intellectual Property Office for the revival of the application. (Attached hereto as Exhibit 5)”

h. “On 25 March 2005, the Notice of Allowance and Payment of Publication Fee was correspondingly paid. (Attached hereto as Exhibit 6)”

i. “Respondent-Applicant is applying for the registration of AQUA-CHLON. It is a mark for the company’s calcium hypochlorite. Respondent-applicant recommends it for

use as a germicide, bactericide, algacide, deodorant and bleach. It is also recommended for water treatment, laundries, swimming pool, food industry as disinfectant, household and industrial use and sewage disposal. It is a white powder of particles with slight pungent smell of chlorine, corrosive with low toxicity, soluble in water and it is a strong oxidizing agent and combustion supporter. It has an available chlorine of 70 percent. It is being packaged in plastic drums with PVC bag in side with net weight 40 kilograms.”

j. “Among the thousands of satisfied customers are industries, Corvi Steam Laundry, Inc., Vidalistic Steam Laundry. (Attached hereto are affidavits as Exhibit 7, 8, 9)”

k. “For the year 2005 alone, AQUA-CHLON has more or less 400 individual buyers generating a purchase amounting to more or less Php 17,305,410.00.”

l. Among the big purchasers are poultry farms, big food processors, water utility concessionaries in Metro Manila and those in the provinces and many agro-ventures.”

m. “Respondent-applicant had been using the trademark AQUA-CHLON on the printed labels. (Attached herewith as Exhibit 10)”

n. “Respondent-applicant had been advertising AQUA-CHLON in the DPC Yellow Pages since 1998. (Attached herewith is a Certification and photocopy of the DPC pages as Exhibit 11)”

Opposer has the following pieces of documentary evidence, to wit:

EXHIBITS	DESCRIPTION
“A”	Affidavit of Danilo Calilip, Director of Food Industries, Inc.
“B”	Certificate of Trademark Registration of AQUACLOR No. 66230
“C1”	DPC Yellow Pages Advertisement of AQUACLOR
“C2”	DPC Yellow Pages Advertisement of AQUACLOR
“C3”	DPC Yellow Pages Advertisement of AQUACLOR
“C4”	Aquasystems Flyer featuring its products including AQUACLOR
“C5”	Certificate of Analysis of AQUACLOR
“C6”	Food Industries, Inc. Articles and Advertisement
“D1”	Sales Invoice No. 06069
“D2”	Sales Invoice No. 06016
“D3”	Sales Invoice No. 06028

Respondent-Applicant, on the other hand, incorporated in its Compliance the following pieces of documentary evidence, to wit:

“1”	Certificate of Filing of Amended Articles of Incorporation
“2”	Certificate of Corporate Filing/Information

“3”	Trademark Application
“4”	Acknowledgement of application for registration and required fee.
“5”	Order for Revival
“6”	Notice of Allowance and Payment of Publication Fee
“7”	Affidavit of Charlton See, Corvi Steam Laundry
“8”	Affidavit of Jonathan Lim, JVC Steam Laundry, Inc.
“9”	Printed Labels of AQUA-CHLON
“10”	Advertisement of AQUA-CHLON in the DPC Yellow Pages

Due to the advent of Office Order No. 79, series of 2005, which took effect on 01 September 2005, this case is deemed mandatorily covered by the summary rules per Section 11 (pertaining to “Effect on Pending Cases”) thereof. Preliminary Conference was set on 13 March 2006. After parties failed to reach settlement, they were directed to submit position papers and/or drafts decisions. Hence, the resolution of this issue:

Whether or not Respondent-Applicant’s AQUA-CHLON mark is confusingly similar with Opposer’s AQUACLOR trademark in respect of the classification of goods they cover.

The Application subject of the instant opposition was filed under the old Trademark Law (R.A. 166, as amended). Thus, this Office shall resolve the case under said law in order not to adversely affect rights acquired prior to the effectivity of the new Intellectual Property Code or R.A. 8293.

The applicable provision of the Trademark Law provides:

“Sec.4 Registration of trademarks, trade names and service marks on the principal register. – x x x The owner of a trademark, trade name or service mark used to distinguish his goods, business or services from the goods, business or service of other shall have a right to register the same on the Principal Register, unless it:

The average buyer usually seeks a sign, some special, easily remembered earmarks of the brand he has in mind. It may be the color, sound, design, or a peculiar shape or name. Once his eyes see that or his ears hear it, he is satisfied. An unfair competition need not copy the entire mark to accomplish his fraudulent purpose. It is enough if he takes the one feature which the average buyer is likely to remember. (Nims, The Law of Unfair Competition and Trademarks, 4<sup>th</sup> ed., Vol. 2, pp. 678-679)

Applying the Dominancy Test to the instant case, it appears that the word Aqua is a dominant word in Opposer’s trademark. The only difference between the two marks are the letters H and N in Respondent-Applicant’s Aqua-chlon, which, as compared to Opposer’s mark Aquaclor, the letter H is not present and the letter N is replaced with letter R. The hyphen in the mark Aqua-chlon cannot create a remarkable distinction to it. Meanwhile, all the other letters are the same such that when the two words are pronounced, the sound is almost the same. This is the application of the idem sonans rule, as illustrated in the case of Sapolin vs. Balmaceda (67 Phil 795).

Moreover, both trademarks cover similar or related goods. While the goods of the Opposer are exclusively used as sanitizer for swimming pools only, the goods of Respondent-

Applicant are germicide, bactericide, algacide, deodorant and also used as water treatment for laundries, swimming pools, etc. As such, both products flow through the same channels of trade such that confusion between the two trademarks is likely result in the minds of the prospective buyers.

The purpose of the law in protecting a trademark is to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into a market a superior article or merchandise, the fruit of his industry and skill, and to prevent fraud and imposition. (Etepha vs. Director of Patents, *ibid*). Today, the trademark is not only the symbol of origin and goodwill, it is often the most effective agent for the actual creation and protection of goodwill. In other words, the mark actually sells the goods. The mark has become the "silent salesman". It has become a more convincing selling point that even the quality of the articles to which is refers. (Mirpuri vs. Court of Appeals, 318 SCRA 516).

In the instant case, evidence show that the Opposer's trademark AQUACLOR was first used commercially in 03 June 1980. Said trademark has Registration No. 66230 dated 04 November 1998. On the other hand, Respondent-Applicant's first advertisement of its trademark AQUA-CHLON dates back to 1998 only. It filed its trademark application on 26 October 1997. Thus, it is clear that as between the Opposer and the Respondent-Applicant, the former sufficiently proved prior use registration of its trademark and is therefore, entitled under the law.

WHEREFORE, premises considered, the Notice of Opposition is hereby SUSTAINED. Accordingly, application bearing Serial No. 4-1997-126063 for the registration of the mark "AQUA-CHLON" filed in the name of L.G. ATKIMSON IMPORT-EXPORT, INC. on 29 October 1997 is, as it is hereby, REJECTED.

Let the filewrapper of the trademark "AQUA-CHLON" subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 21 December 2006.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs  
Intellectual Property Office