



ALTACROP PROTECTION CORP.,  
Petitioner,

-versus-

KEMISTAR CORPORATION,  
Respondent-Registrant.

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}  
} IPC No. 14-2010-00244  
} Cancellation of:  
} Regn. No. 4-2007-007650  
} Date Issued : 28 April 2008  
} TM: "CHECKMARK"

**NOTICE OF DECISION**

**FELICILDA & ASSOCIATES LAW FIRM**  
Counsel for the Petitioner  
Suite 810 Antel Global Corporate Center  
Doña Julia Vargas Avenue, Ortigas Center  
Pasig City

**ATTY. CHITO B. DIMACULANGAN**  
Counsel for Respondent-Registrant  
Suite 2016 Cityland Ten Tower One  
6815 N. Ayala Avenue, Makati City

**GREETINGS:**

Please be informed that Decision No. 2013 - 1009 dated June 20, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 20, 2013.

For the Director:

  
**ATTY. EDWIN DANILO A. DATING**  
Director III  
Bureau of Legal Affairs



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IPC No. 14-2010-00244  
 Cancellation of:  
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 Date Issued : 28 April 2008  
 Trademark : "CHECKMARK"  
 Decision No. 2013 - 109

**DECISION**

ALTACROP PROTECTION CORPORATION ("Petitioner"), a domestic corporation organized and existing under and by virtue of the laws of the Philippines with business address at Unit 403 Marcelita Building, 2560 National Highway, Brgy. Real, Calamba, Laguna, Philippines, filed on 19 October 2010 a petition for cancellation of Trademark Registration No. 4-2007-007650. The registration by KEMISTAR CORPORATION ("Respondent-Registrant"), likewise a domestic corporation organized and existing under and by virtue of the laws of the Philippines with business address at No. 62-EWYH Building, Katipunan Street, Concepcion Dos, Marikina City, issued on 28 April 2008, covers the trademark "CHECKMARK" for use on goods under Class 05<sup>1</sup>, specifically, herbicide for the control of sedges and broadleaf weeds in rice, corn and sugarcane.

The Opposer alleges and discusses the following grounds for cancellation:

"6. Petitioner is a Philippine corporation which specializes in the production, marketing and distribution of fertilizers, herbicides, pesticides and other agricultural products in the Philippines.

"7. Petitioner owns, manufactures, markets and distributes agricultural products which include, among others: Shelter 2, 4-D amine; the Cyanamid Leaf & Device covered by Certificate of Registration Nos. 4-2007-010899 and 4-2009-006447, respectively.

x x x

"9. Petitioner was the first party to use the 4-Leaf Device trademark in the Philippines, much earlier than that of the Respondent herein. It was also the first party to appropriate and adopt the same for fertilizers and herbicides products.

<sup>1</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademarks and 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.

"10. The 4-Leaf Device was derived from the original 4-Leaf Design trademark application under Serial Number 4-2005-005492 filed as early as 15 June 2005 in the name of Petitioner, Altacrop Protection Corporation.

"11. Though mere inadvertence, however, said original 4-Leaf design trademark application was abandoned. x x x

"13. Petitioner failed to revive the same 4-Leaf Design trademark application.

"14. Thus, on 09 January 2007, Petitioner re-applied the 4-leaf Design trademark under Application Serial No. 4-2007-000274. The same was granted registration on 05 November 2007.

"15. The 4-Leaf Device trademark registered on 05 November 2007 was, however, copied, adopted and appropriated by the Respondent in its subsequently filed Checkmark Design which is an exact copy of Petitioner's 4-Leaf Device.

"16. The challenged trademark is an exact replica of, and is exactly identical to Petitioner's 4-Leaf Design trademark leaving no doubt to the conclusion that respondent copied the same and intended to profit from the goodwill and repute of the 4-Leaf Design trademark. Comparing the two trademarks, one could easily see the blatant, glaring and obvious identicalness of the two marks.

"17. Considering that the Checkmark Design of the Respondent is exactly identical to the Petitioner's mark 4-Leaf Design, the former should not have been registered in the name of the Respondent pursuant to Sections 123.1 (d) of the IP Code which related to Petitioner's rights as the true owner, prior adopter and user of 4-Leaf Design trademark.

"18. Petitioner's 4-Leaf Design is already well-known in the fertilizer and herbicide industry. Hence, under Section 123.1 (e) and Section 123.1 (f) of IP Code, the Checkmark design should NOT have been registered under the name of Respondent.

"19. Given the identicalness of the two marks and the fact that the good/products covered by the respective marks are under the same Class (Class05), it is very likely that the copycat mark – Checkmark design – will confuse the public and mislead them into thinking that Respondent's goods/products originate from the Petitioner.

"20. The continued registration of Respondent's checkmark Design will enable it to unfairly profit commercially from the goodwill, fame, and notoriety of the 4-Leaf Design trademark to the damage and prejudice of the Petitioner herein contrary to Section 168.1 of the IP Code.

"21. The Respondent has appropriated the Checkmark Design mark for the obvious purpose of capitalizing upon or riding on the valuable reputation, goodwill and popularity in the agricultural industry/market of the 4-Leaf Design mark which Petitioner has gained through tremendous effort and expense since 2005. This clearly constitutes an invasion of Petitioner's intellectual property rights.

The Opposer's evidence consists of the following:

1. Exhibit "A" - Certified true copy of the Articles of Incorporation and By-Laws of Petitioner;
2. Exhibit "B" - Certified true copy of the Articles of Incorporation and By-Laws of Respondent-Applicant;
3. Exhibit "C" - Certified true copy of the Certificate of Registration for the 4-Leaf Design trademark;
4. Exhibit "D" - Certified true copy of the Certificate of Registration for the Checkmark Design;
5. Exhibit "E" - Original copy of the Notice of Abandonment; and,
6. Exhibit "F" - Affidavit of Wendell T. Garcia.

This Bureau issued and served upon the Respondent-Registrant a Notice to Answer on 23 December 2010. The Respondent-Registrant filed its Verified Answer on 26 April 2011 whereby it admitted the allegations in paragraphs 1, 2, 3, 4, 5.2, 5.4, 12, 13 and 14 of the petition for cancellation. It partially admitted the allegations on the particulars of the subject trademark registration, the truth being those provided in the affirmative allegations. It however denied the allegations in all of the paragraphs of the petition, the truth stated in the affirmative allegations, to wit:

"5. Respondent-registrant is engaged in the manufacture, production and sale of agrochemicals;

"6. Agrochemical (or agrichemical), a contraction of agricultural chemical, is a generic term for the various chemical products used in agriculture. In most cases, agrochemical refers to the b12, 13, oad range of insecticides, herbicides, and fungicides, but it may also include synthetic fertilizers, hormones and other chemical growth agents, and concentrated stores of raw animal manure;

"7. On 17 December 2004, respondent-registrant lodged an application with the Bureau of Trademarks to register the word mark SHELL 2, 4-D ESTER for goods falling under International Class 5 namely, herbicide for the control of sedges and broadleaf weed in rice, corn and sugarcane. The said application was docketed as Application No. 4-2004-011937;

"8. Respondent-registrant started using in earnest the trademark SHELL 2, 4-D ESTER on 03 January 2005. The nationwide, extensive and widespread sale of products bearing the SHELL 2, 4-D ESTER trademark attracted attention and gained notice not only from consumers but also from companies engaged in the marketing and sale of pesticide products who saw a big potential of success and profit on the product;

"9. In March of 2005, petitioner approached respondent-registrant with a proposal to use the trademark SHELL 2, 4-D ESTER in exchange for a fee which petitioner was followed by intense negotiations that culminated into a Memorandum of Agreement being entered into by the herein parties on 23 may 2005;

"10. Under the said Memorandum of Agreement, respondent-registrant gave petitioner the right to use the trademark SHELL 2, 4-D ESTER for three (3) consecutive years from the date of the signing of the Memorandum of Agreement. Petitioner, on the

other hand, will pay respondent-registrant the sum of US\$8,000.00 for the first year, US\$9,000.00 for the second year and US\$10,000.00 for the final year of the contract for the right to use the SHELL 2, 4-D ESTER trademark;

"11. It is apt to underscore that the Memorandum of Agreement also required petitioner to clearly state on the labels of products that respondent-registrant is the registered owner of the trademark SHELL 2, 4-D ESTER. The design, logo, format, size, appearance, contents and color of the labels to be used were mutually agreed upon by the herein parties;

"12. In the meantime, on 28 June 2006, respondent-registrant applied for the registration of the mark SHELL 2, 4-D ESTER & Logo, under Application No. 4-2006-006921, which is a composite trademark consisting of the words, numbers and letter SHELL 2, 4-D ESTER in block capitals and the logo of geometric patterns, the design of growing leaves and pictures of plants and brushes. x x x

"13. On 15 February 2007, Certificate of Registration No. 4-2004-011937 issued for the word mark SHELL 2, 4-D ESTER of respondent-registrant. Similarly, on 21 May 2007, Certificate of Registration No. 4-2006-006921 also issued for the composite trademark SHELL 2, 4-D ESTER & Logo for goods falling under International Class 5 namely, herbicide for the control of sedges and broadleaf weeds in rice, corn and sugarcane. The said twin trademark registrations obtained by respondent-registrant each have a term of ten (10) years;

"14. On 18 July 2007, respondent-registrant applied for the separate registration of the CHECKMARK DESIGN. On 28 April 2008, respondent-registrant was issued Certificate of Registration No. 4-2007-007650 for the CHECKMARK DESIGN (Stylized) for use on herbicide for the control of sedges and broadleaf weeds in rice, corn and sugarcane in International Class 5;

"15. In the early days of 2008 and pursuant to an Addendum to Memorandum of Agreement, respondent-registrant agreed to extend for an indefinite period of time the right of petitioner to use the trademark SHELL 2, 4-D ESTER and its logo;

"16. However, on 09 June 2010, respondent-registrant terminated the license/authority of petitioner to use the trademark SHELL 2,4-D ESTER and its brand logo effective 01 July 2010;

"17. On 02 August 2010, undersigned counsel informed petitioner that it is infringing on respondent-registrant's duly registered trademarks SHELL 2, 4-D ESTER, SHELL 2, 4-D ESTER & Logo and CHECKMARK DESIGN (Stylized) by adopting, using and/or registering trademarks that are identical or confusingly similar to the said trademarks. Furthermore, undersigned counsel demanded from petitioner, among others, to cease and desist from committing acts of trademark infringement and unfair competition defined and punished under Sections 155 and 168 of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines;

"18. In a letter dated 30 September 2010, petitioner's lawyer replied to the cease and desist letter of respondent-registrant by claiming that petitioner is not committing any acts of infringement and/or unfair competition;

"19. It is very clear from the foregoing that respondent-registrant is the true and actual owner of the challenged CHECKMARK DESIGN (Stylized) under Certificate of

Registration No. 4-2007-007650. The said registered logo is a creation of the respondent-registrant and being the designer thereof, respondent-registrant has every right to adopt, use and register it to the exclusion of others including petitioner;

"20. Respondent-registrant has built a substantial business on its agrochemical products and has spent and will continue to spend considerable sums of money, time and effort in advertising and promoting its agrochemical products without having made the least attempt to palm-off its goods as emanating or associated in any way with the petitioner;

x x x

"22. The foregoing allegations are reproduced and pleaded herein by way of reference;

"23. Petitioner has no cause of action against the respondent-registrant and has no valid and justifiable ground to petition for the cancellation of the registration of respondent-registrant's trademark CHECKMARK DESIGN (Stylized);

"24. Petitioner is a mere authorized user/licensee of the challenged trademark, which authority or license emanated from the respondent-registrant. As a mere authorized user/licensee of the trademark, petitioner has no right to register the design mark in question because its use of the licensed trademark is not in the concept of owner. In fact, the rule is well-settled in this jurisdiction that any use of the licensed trademark by the licensee inures to the benefit of the trademark licensor/owner which in this case is the respondent-registrant;

"25. More importantly, respondent-registrant is the senior registrant of the design mark in question. Respondent-registrant obtained the registration for composite trademark SHELL 2, 4-D ESTER & Logo on 21 May 2007 under Certificate of Registration No. 4-2006-006921. Petitioner, on the one hand, fraudulently secured Certificate of Registration No. 4-2007-000274 for the design mark only on 05 November 2007;

"26. It is wrong for petitioner to assert and argue that the previous application it filed on 15 June 2005 for the design mark in question under Application No. 4-2005-005492 can serve as a basis for its claim of the benefit of the "first-to-file" rule observed in our jurisdiction. In the first place, said Application No. 4-2005-005492 that petitioner filed is legally not an abandoned application which can be revived but a FORFEITED APPLICATION which is not subject to revival. This is clear from a fair reading of Rule 615 (b) of the Rules and Regulations on Trademarks, Service Marks, Tradenames and Marked or Stamped Containers, x x x

"27. It is crystal clear the argument of petitioner on the subject is the very antithesis of the definition of the word 'forfeit' which is, 'a complete permanent loss of one's rights.' All told, petitioner cannot claim the benefit of the 'first-to-file' rule for the forfeited Application No. 4-2005-005492;

"28. Petitioner's trademark has not been declared by a competent authority of the Philippines to be 'well-known' internationally AND in the Philippines. Petitioner, therefore, cannot claim the benefit of the provisions of Section 123.1 (e) and (f) of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines in the absence of an expressed acknowledgement from a competent

Philippine government agency that petitioner's trademark has attained worldwide fame and recognition;

"29. Respondent-registrant has every right to register the trademark CHECKMARK DESIGN (Stylized) in the Philippines because it the true and rightful owner of the said trademark by reason of its real, actual and absolute use of the mark in the concept of owner and its being the senior-registrant and the first to use and filed for the registration of the same in the Philippines for herbicide for the control of sedges and broadleaf weed in rice, corn and sugarcane;

"30. The application for registration of the trademark CHECKMARK DESIGN (Stylized) was allowed by the Bureau of Trademarks in accordance with the provisions of Republic Act No. 8293 and its implementing rules with respondent-registrant complying and completing all the pertinent requirements for registration and after the closest scrutiny and examination conducted by the Trademark Examiner and the Director of that Bureau;

"31. Respondent-registrant adopted and started the use of the trademark CHECKMARK DESIGN (Stylized) in good faith;

"32. Petitioner does not stand to suffer any damage by the continued registration of the challenged design mark in the name of the respondent-registrant because it is not the true and actual owner of the trademark;

"33. Petitioner is barred by equitable principles of acquiescence, laches and estoppels from opposing the registration of the trademark CHECKMARK DESIGN (Stylized)."

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

1. Exhibit "1" - Sworn Declaration of Mr. Jose D.J. Cruz;
2. Exhibit "2" - Memorandum of Agreement between Petitioner and Respondent-Registrant;
3. Exhibit "3" - Product label of Shell 2,4-D Ester;
4. Exhibit "4" - Certified true copy of the Certificate of Registration for the trademark Shell 2, 4-D Ester;
5. Exhibit "5" - Certified true copy of the Certificate of Registration for the trademark Shell 2, 4-D Ester & Logo;
6. Exhibit "6" - Addendum to Memorandum of Agreement;
7. Exhibit "7" - Letter dated 09 June 2010 from Respondent-Registrant to Petitioner;
8. Exhibit "8" & sub-markings- Letter dated 02 August 2010 on the Infringement of the Trademarks Shell and Checkmark Design of Kemistar Corporation from the I.P Law Philippines; and,
9. Exhibit "9" & sub-markings - Reply-Letter dated 20 September 2010 from Felicilda & Associates Law Firm.

On 06 May 2011, Petitioner filed its Reply and attached additional evidence:

1. Exhibit "G" - Letter dated 23 February 2005 from Respondent-Registrant to the Fertilizer & Pesticides Authority;
2. Exhibit "H" - Letter dated 10 July 2006 from BASF, The Chemical Company;
3. Exhibit "I" - Assignment of Trademark Rights and Interest between BASF Agro B.V. Wadenswil Branch and Altacrop Protection Corporation; and,
4. Exhibit "J" - Official Receipt dated 08 February 2008 for full payment for attack 5R Trademark.

Should the Respondent-Registrant's registered mark be cancelled?

At the time the Respondent-Registrant filed its trademark application for "Checkmark" on 18 July 2007 and acquired registration on 28 April 2008<sup>2</sup>, Petitioner has already a registration for the identical device of "4-Leaf Design" on 05 November 2007, with a filing date on 09 January 2007. On this note, it shows that the Petitioner has an earlier filing and registration date than the Respondent-Registrant.

Thus, the Petitioner anchors its petition on Section 123.1 (d) of the IP Code which provides:

"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;"

As shown below, the contending marks are similar because they both have the stylized design of four (4) leaves in the form of a checkmark. Moreover, both marks are also used on identical or similar and related goods, particularly goods belonging to Class 05. Thus, this Bureau may find that Respondent-Registrant's mark is proscribed under Section 123.1 (d).

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<sup>2</sup> Certificate of Registration No. 4-2007-007650, Exhibit "C" of Petitioner.



Petitioner's Trademark



Respondent-Registrant's Trademark

However, Respondent-Registrant claims prior right by reason of its earlier registration for another mark "Shell 2, 4-D Ester"<sup>3</sup>, which was filed on 17 December 2004 and registered 15 February 2007. This covers similar or identical goods under Class 05. After which, on 28 June 2006, Respondent-Register applied for a composite trademark consisting of the words, numbers and letter "Shell 2, 4-D Ester" with the design of growing leaves similar to its "Checkmark" device.<sup>4</sup> It further alleged to have first used its word mark "Shell 2, 4-D Ester" on 03 January 2005.

This Bureau finds no credence to the allegation of Respondent-Registrant. Records show that the alleged earlier filed and registered mark of Respondent-Registrant, "Shell 2, 4-D Ester" does not contain the device of growing leaves similar to the subject device. It is merely a word mark which is not confusingly similar to that of Petitioner's "4-Leaf Design". However, while it appears that the composite mark of "Shell 2, 4-D Ester" with the design of growing leaves was filed prior to that of the Petitioner's registered "4-Leaf Design" mark, the latter has shown that it has a prior application on 15 June 2005 for "4-Leaf Design" mark, which was nonetheless declared abandoned by the Bureau of Trademarks.<sup>5</sup> While it is true that the mark was cancelled by the Bureau of Trademarks for failure to revive the mark, the cancellation of the trademark does not necessarily constitute abandonment of trademark.

Abandonment, which is in the nature of a forfeiture of a right, must be shown by clear and convincing evidence. The disuse must be permanent and not ephemeral; it must be intentional and voluntary, and not involuntary or even compulsory. While a registration may be cancelled because of failure to comply with the aforesaid requirement, it does not follow that the registrant has lost, ipso facto, its prior right over the mark. Ownership of a trademark is not acquired by the mere fact of registration alone. Hence, the non-filing of affidavit of use is not fatal to the right to ownership over the mark when there is no clear intention or fact of abandonment.<sup>6</sup> In fact, the Petitioner's application for re-registration after its original registration belies the fact or intention of abandonment.

<sup>3</sup> Certificate of Registration No. 4-2004-011937, Exhibit "4" of Respondent-Registrant.

<sup>4</sup> Certificate of Registration No. 4-2006-006921, Exhibit "5" of Respondent-Registrant.

<sup>5</sup> Notice of Abandonment, Exhibit "E" of Petitioner.

<sup>6</sup> Appeal No. 14-2004-0004, August 16, 2005.

It is emphasized that 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 out 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.<sup>7</sup>

The contention of the Respondent-Registrant that the Memorandum of Agreement<sup>8</sup> which set a licensing agreement between the parties belies ownership of Petitioner over its mark "4-Leaf Design", is not accurate. A review of the Memorandum of Agreement shows that the subject of the said agreement is the word mark "Shell 2, 4-D Ester" without the design of the growing leaves. Similarly, the Addendum to Memorandum of Agreement<sup>9</sup> likewise provide for the word mark "Shell 2, 4-D Ester" which does not include the design of the growing leaves, and not its composite mark "Shell 2, 4-D Ester & Logo".

Accordingly, this Bureau finds that the Respondent-Registrant's trademark is proscribed by Sec. 123.1 (d) of the IP Code.

**WHEREFORE**, the instant Petition is hereby **GRANTED**. Accordingly, Certificate of Registration No. 4-2007-007650 issued on 18 April 2008 for the trademark "Checkmark" in the name of Kemistar Corporation, is hereby ordered **CANCELLED**.

Let the file wrapper of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

**SO ORDERED.**

Taguig City, 20 June 2013.

  
**NATHANIEL S. AREVALO**  
Director IV, Bureau of Legal Affairs

<sup>7</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999, citing Etepha v. Dir. of Patents, supra, Gabriel v. Perez, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. 91, of the Trade related Aspect of Intellectual Property (TRIPS Agreement).

<sup>8</sup> Exhibit "2" of Respondent-Registrant.

<sup>9</sup> Exhibit "6" of Respondent-Registrant.