



RUST-OLEUM BRANDS COMPANY,
Opposer,

-versus-

CHARTER CHEMICAL & COATING CORP.,
Respondent-Applicant.

x-----x

} IPC No. 14-2008-00139
} Opposition to:
} Appln. Serial No. 4-2006-002801
} Date Filed: 13 March 2006
} Trademark: "EPOXYSHIELD"
}
}
}
}

NOTICE OF DECISION

DEL ROSARIO BAGAMASBAD & RABOCA
Counsel for the Opposer
Rosadel Building
1011 Metropolitan Avenue
Makati City


Atty. ANTONIO C. O. SALVA
Counsel for Respondent-Applicant
213 Biak na Bato St., Little Baguio
San Juan, Metro Manila

GREETINGS:

Please be informed that Decision No. 2012 – 185 dated September 28, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 28, 2012.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



RUST-OLEUM BRANDS COMPANY,	}	IPC No. 14-2008-00139
Opposer,	}	Opposition to:
- versus -	}	Appln. Serial No. 4-2006-002801
	}	Date Filed: 13 March 2006
CHARTER CHEMICAL & COATING	}	Trademark: EPOXYSHIELD
CORPORATION,	}	
Respondent-Applicant.	}	Decision No. 2012 - <u>185</u>
x-----x		

DECISION

RUST-OLEUM BRANDS COMPANY¹ ("Opposer") filed on 23 June 2008 a Verified Notice of Opposition to Trademark Application No. 4-2006-002801. The application, filed by CHARTER CHEMICAL AND COATING CORPORATION² ("Respondent-Applicant"), covers the mark EPOXYSHIELD for use on "paints" under Class 02 of the International Classification of goods³.

The Opposer alleges that the mark EPOXYSHIELD cannot be registered in the name of the Respondent-Applicant because it is identical to the internationally and locally well-known mark EPOXY SHIELD owned by the Opposer which is being used for identical or similar goods. Also, the registration of the mark EPOXYSHIELD in the name of the Respondent-Applicant will cause damage to the Opposer. In support thereof, the Opposer avers the following as facts:

"2. Opposer has capacity to sue under Section 160 in relation to Section 3 of Republic Act No. 8293, known as the Intellectual Property Code of the Philippines. Opposer's home country, the United States of America, where it is domiciled, extends by treaty, convention or law to persons or nationals of the Philippines the privilege to bring an action in that country for infringement, unfair competition, or false designation of origin and false description without need of a license to do business in that country;

"3. Opposer has its real and effective commercial establishment in the United States of America which country and the Philippines are members-signatories to the WTO (Uruguay Round) TRIPS Agreement. x x x Under said Convention, each signatory country undertakes at the request of an interested party to prohibit the use of a trademark which constitutes a reproduction, imitation or translation of a mark already belonging to a person entitled to the benefit of the Paris Convention and used for goods with well-known marks;

¹ A corporation duly organized and existing under the laws of the State of Delaware, with address at 11 Hawthorn Parkway, Vernon Hills, Illinois, United States of America.

² With given address at No. 1 Mercedes Avenue, San Miguel, Pasig City, Philippines.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral 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 the Registration of Marks concluded in 1957.

"4. The aforesaid provision of the TRIPS Agreement has been adopted by the Philippines through Section 3 of Republic Act 8293, as follows: x x x

x x x

"6. On March 13, 2006, Respondent-Applicant filed an application for the mark EPOXYSHIELD under Application No. 4-2006-002801, covering goods in Class 2 specifically for "paint";

"7. Opposer believes that it would be damaged by the registration of the mark EPOXYSHIELD in the name of Respondent-Applicant;

"8. The Opposer's mark EPOXY SHIELD has been used in commerce on or in connection with sealers, coatings and colorants for use on concrete floors as early as December 27, 1997, at least, and has been in use continuously all over the world by or on behalf of the Opposer or its predecessors-in-interest. In the Philippines, the mark was used as early as November 30, 2001;

"9. The Opposer currently uses its EPOXY SHIELD mark in commerce on or in connection with four sealing, coating and colorant products, namely, EPOXY SHIELD Garage Floor Coating, EPOXY SHIELD Basement Floor Coating, EPOXY SHIELD Multi-Purpose Coating and EPOXY SHIELD Industrial Floor Coating (collectively the EPOXY SHIELD products);

"10. Opposer has obtained and continues to obtain registration for its well-known trademark EPOXY SHIELD from the Intellectual Property Offices of different countries around the world;

"11. In Puerto Rico, the Opposer is the owner of the EPOXY SHIELD trademark under Registration No. 61, 707, with details as follows:

Trademark:	EPOXY SHIELD
Registration No.:	61,707
Class:	2
Goods:	Sealer coatings and colorant for use on concrete flooring
Filing Date:	January 23, 2004
Registration Date:	February 23, 2006

"12. In Canada, the Opposer is the registrant of the mark EPOXY SHIELD with filing particulars as follows:

Trademark:	EPOXY SHIELD
Registration No.:	TMA648,416
Goods:	Sealer coatings and colorant for use on concrete flooring
Filing Date:	December 4, 2003
Registration Date:	September 19, 2005

"13. In the United States of America, the Opposer is the registrant of the mark EPOXY SHIELD under Registration No. 2,243,579

with filing particulars as follows:

Trademark:	EPOXY SHIELD
Registration No.:	2,243,579
Class:	2
Goods:	Sealer coatings and colorant for use on concrete flooring
Filing Date:	June 25, 1997
Registration Date:	May 4, 1999

"14. In the international market, and also in the Philippines, Opposer has acquired immense and valuable goodwill on the EPOXY SHIELD mark, resulting from the large sums of money spent in advertising and promoting said well-known mark as well as the extensive promotion and advertising efforts of the Opposer;

"15. Opposer maintains the website www.rustoleum.com where information about Opposer's products, including EPOXY SHIELD products, can be accessed by internet-users all over the world, including the Philippines;

"16. As a result of the extensive promotion and advertising activities of the Opposer, the trademark EPOXY SHIELD has become an internationally and locally well-known mark. Thus, EPOXY SHIELD products have captured a substantial market share in the paint business, worldwide and in the Philippines. x x x The spreadsheet shows that from June 1 to May 31, 2002, EPOXY SHIELD products worth US\$116, 296, 409.00 were sold in the U.S.A., US\$46,962.03 in Australia, US\$188,628.37 in Canada, US\$292,401.78 in the Russian Federation and worldwide sales of US\$116,971,508.61. x x x The spreadsheet shows that the total worldwide sales of EPOXY SHIELD products in the Philippines from November 2001 to May 2002 is US\$7,490.26. x x x In January 2003 alone, EPOXY SHIELD products worth US\$15,910.40 were sold in the Philippines. The January 2003 sale in the Philippines was to Republic Chemical Industries, 731 Aurora Boulevard, Quezon City, Metro Manila;

"17. The Opposer diligently protects its trademark EPOXY SHIELD from users of identical or confusingly similar marks. Hence, on March 10, 2004, it sent a demand letter to Convenience Products of Fenton, Montana, U.S.A. For using a confusingly similar mark EPOXY SEAL. Thereafter, it filed on November 3, 2004 with the United State District Court a complaint against Clayton Corporation doing business as Convenience Products for infringement of the trademark EPOXY SHIELD."

The Opposer's evidence consists of the following:

1. Authenticated Special Power of Attorney/Secretary's Certificate;
2. Verification and Certification Against Forum Shopping executed by Jacqueline A. Guzman;
3. Copy of Respondent-Applicant's trademark application;
4. Affidavit-Direct Testimony of Michael T. Murphy, Vice President and Assistant Secretary of the Opposer;

5. Certified true copy of Puerto Rico Trademark Registration No. 61,707;
6. Certified true copy of Canadian Trademark Registration No. 4-2006-500082;
7. Certified true copy of U. S. Trademark Registration No. 2,243,579;
8. Full line product catalog with marked pages advertising EPOXY SHIELD products;
9. Various printouts of the web pages of Opposer;
10. Spreadsheet showing worldwide sales of EPOXY SHIELD products from June 1 to May 31, 2002;
11. Spreadsheet showing sales of EPOXY SHIELD products in the Philippines from November 21 to May 2002;
12. Spreadsheet showing sales of EPOXY SHIELD products in the Philippines in January 2003; and
13. Copies of the demand letter and complaint.⁴

The Respondent-Applicant filed its Answer on 09 October 2008, specifically denying the allegations contained in the Opposition. By way of special and affirmative defenses, the Respondent-Applicant stated, among other things, that the Notice of Opposition should be dismissed outright because it is not verified by a duly authorized agent of Opposer and that Sec. 123.1 (e) of the Intellectual Property Code of the Philippines is not applicable to the instant case. Also, the Respondent-Applicant argued that the Opposer failed to prove that the cited mark is well-known internationally and in the Philippines and that it will not be damaged by the registration of Respondent-Applicant's mark.

As part of its evidence, the Respondent-Applicant submitted a copy of its actual label for the mark EPOXYSHIELD⁵ and the Affidavit of Mr. George Cua⁶.

The Opposer filed on 24 October 2008 a "Reply" together with the Certificate of Employment of Atty. Jacqueline Guzman⁷ and copy of Decision in Appeal No. 14-06-09⁸ while the Respondent-Applicant filed its "Rejoinder" on 07 November 2008. On 11 December 2008, the Preliminary Conference was terminated. Then after, the Opposer filed its position paper on 26 January 2009 while Respondent-Applicant did so on 29 January 2009.

The Respondent-Applicant raised the issue that the instant opposition should be dismissed on the ground that the notice of opposition was not verified by a duly authorized agent of Opposer. According to the Respondent-Applicant, the person who executed the Verification and Certification Against Forum Shopping was not granted specific power to execute the same and that the Special Power of Attorney/Secretary's Certificate reveals that Opposer granted the authority to sign the verification to the law office of Del Rosario Bagamasbad & Raboca and any of its partners, senior associates, associates, agents or representatives only.

The records show that Jacqueline A. Guzman, purportedly the duly

⁴ Marked as Exhibits "A" to "N".

⁵ Exhibit "1".

⁶ Exhibit "2".

⁷ Exhibit "O".

⁸ Exhibit "P".

authorized representative of Opposer, executed and signed the Verification and Certification Against Forum Shopping. However, the Special Power of Attorney/Secretary's Certificate attached to the Notice of Opposition shows that DEL ROSARIO BAGAMASBAD & RABOCA Law Office ("VERA Law") or any of its partners, senior associates, associates, agents or representatives was the duly appointed representative of Opposer which has the authority to file the opposition and execute the verification and certification against forum shopping, among other things. In this regard, the Opposer attached to its Reply a Certificate of Employment⁹ stating that Atty. Jacqueline Guzman is an employee of DEL ROSARIO BAGASMAD & RABOCA since April 16, 2008 up to July 18, 2008 holding the position of Associate Lawyer. Therefore, contrary to the claim of Respondent-Applicant, the Opposition was duly verified by an associate of VERA Law.

In the case of *Caña v. Evangelical Free Church of the Philippines*¹⁰, the Supreme Court upheld the subsequent submission of the authority granted to respondent's counsel to sign the certification as substantial compliance. It ruled that:

"Circular 28-91 was prescribed by the Supreme Court to prohibit and penalize the evils of forum shopping. We see no circumvention of this rationale if the certificate was signed by the corporation's specifically authorized counsel, who had personal knowledge of the matters required in the Circular. x x x

Indeed, while the requirement as to certificate of non-forum shopping is mandatory, nonetheless the requirements must not be interpreted too literally and thus defeat the objective of preventing the undesirable practice of forum shopping."

Applying the same in the instant case, the verification and certification executed by the associate of DEL ROSARIO BAGAMASBAD & RABOCA amounts to substantial compliance which calls for the relaxation of the rules of procedure.

Going to the merits of the case, the Opposer anchored its opposition on Section 123.1 (e) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), which provides that a mark cannot be registered if it:

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the marks of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which as been obtained as a result of the

⁹ Exhibit "O".

¹⁰ G. R. No. 157573, 11 February 2008, citing *BA Savings Bank v. Sia*, 336 SCRA 484 (2000).

promotion of the mark; x x x

Thus, Rule 102 of the Trademark Regulations sets forth the criteria for determining whether a mark is well-known, to wit:

“Rule 102. *Criteria for determining whether a mark is well-known.* In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- c) the degree of the inherent or acquired distinction of the mark;
- d) the quality-image or reputation acquired by the mark;
- e) the extent to which the mark has been registered in the world;
- f) the exclusivity of registration attained by the mark in the world;
- g) the extent to which the mark has been used in the world;
- h) the exclusivity of use attained by the mark in the world;
- i) the commercial value attributed to the mark in the world;
- j) the record of successful protection of the rights in the mark;
- k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- l) the presence of absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.”

This Bureau finds that the evidence submitted by the Opposer is insufficient to declare the Opposer's EPOXY SHIELD mark as well-known mark under the aforementioned rules.

This notwithstanding, the Respondent-Applicant's mark should not be allowed for registration.

The competing marks are reproduced below:

EPOXY SHIELD

Opposer's mark

EPOXYSHIELD

Respondent-Applicant's mark

Obviously, the marks are identical. The difference in the font style and manner of display are inconsequential. Also, the Respondent-Applicant uses its mark on goods that are similar or closely related to the Opposer's, particularly, sealer coatings and colorant for use on concrete flooring which flow on the same channels of trade and both falling under Class 02. Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:¹¹

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact, does not exist.

The public interest, therefore, requires that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that 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 as his product.¹²

In this regard, the records show that the Respondent-Applicant applied for registration of the mark EPOXYSHIELD on 13 March 2006, earlier than the filing of Opposer's trademark application for EPOXY SHIELD on 25 March

¹¹ *Converse Rubber Corporation v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 Jan. 1987.

¹² *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999.

2008. The instant opposition, however, is essentially anchored on the issue of ownership of the mark EPOXY SHIELD.

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of the TRIPS Agreement reads:

Section 2: Trademarks
Article 15
Protectable Subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration that signs be visually perceptible.

2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provisions of the Paris Convention (1967).

3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.

4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.

5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Article 16 (1) of the TRIPS Agreement states:

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights

described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R. A. No. 166a)

Sec. 122 of the IP Code also states:

Sec. 122. *How Marks are Acquired.* - The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R. A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law.

Corollarily, Sec. 138 of the IP Code provides:

Sec. 138. *Certificates of Registration.* - A certificate of registration of a mark shall 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. (Emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.¹³ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *Berris v. Norvy Abyadang*¹⁴, the Supreme Court held:

¹³ See Section 236 of the IP Code.

¹⁴ G. R. No. 183404, 13 October 2010.

"The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes prima facie evidence of the validity of the registration, of 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.- R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register.- In other words, the prima facie presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, *i.e.*, it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce."

In the instant case, while it is true that the Respondent-Applicant has prior application for the mark EPOXYSHIELD, the Opposer has proven that it is the owner and prior user of the contested mark having used the same in the Philippines as early as 30 November 2001¹⁵. Likewise, the Opposer submitted various certificates of registration¹⁶ in Puerto Rico, Canada and United States of America, all of which were filed and registered prior to the filing of the Respondent-Applicant's application.

This Bureau noted that Opposer's EPOXY SHIELD is a highly unusual mark with respect to coatings and colorant products. It can be considered an arbitrary mark and therefore, highly distinctive. Thus, the chances that it could have been adopted by mere coincidence by two entrepreneurs, independent of each other, for similar or closely related goods, is too good to be true. It is inconceivable that the Respondent-Applicant who is engaged in the same business as the Opposer, would not have prior knowledge of the existence of the mark or brand EPOXY SHIELD. Products bearing the mark or brand EPOXY SHIELD were already available to the public in the Philippines long before the Respondent-Applicant filed a trademark application. The field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.¹⁷

¹⁵ Exhibit "D".

¹⁶ Exhibits "E", "F" and "G".


¹⁷ *American Wire and Cable Company v. Director of Patents*, G. R. No. L-26557, 18 February 1970.

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2006-002801 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 September 2012.



Atty. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs