



**SINOPEC JIANGHAN SALT & CHEMICAL
COMPLEX and L.G. ATKIMSON IMPORT-
EXPORT, INC.,**

Opposers,

-versus-

EMPIRE CHEMICAL CO., INC.,
Respondent-Applicant.

x-----x

IPC No. 14-2012-00408

Opposition to:

Appln. Serial No. 4-2012-003764

Date Filed: 26 March 2012

**TM: "SUPER CHLOR
& DEVICE"**

NOTICE OF DECISION

HECHANOVA BUGAY & VILCHEZ

Counsel for Opposer
G/F Chemphil Building
851 Antonio Arnaiz Avenue
Makati City

ANDRES PADERNAL & PARAS

Counsel for Respondent-Applicant
Empire Chemical Co. Inc.
2nd Floor PNB Financial Center
Pres. Diosdado Macapagal Blvd.
Pasay City

GREETINGS:

Please be informed that Decision No. 2013 - 210 dated October 29, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 29, 2013.

For the Director:

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



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COMPLEX and L.G. ATKIMSON IMPORT-
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IPC No. 14-2012-00408
Opposition to Trademark
Application No. 4-2012-003764
Date Filed: 26 March 2012

Trademark: **"SUPER CHLOR
& DEVICE"**

Decision No. 2013- 210

DECISION

Sinopec Jianghan Salt & Chemical Complex¹ and L.G. Atkimson Import-Export, Inc.² (collectively referred to as "Opposers") filed on 12 November 2012 an opposition to Trademark Application Serial No. 4-2012-003764. The contested application, filed by Empire Chemical Co., Inc.³ (Respondent-Applicant), covers the mark "SUPER CHLOR & DEVICE" for use on "*calcium hypochlorite (chlorine)*" under Class 01 of the International Classification of Goods⁴.

Opposers submit that Respondent-Applicant's mark "SUPER CHLOR & DEVICE" for goods under Class 1 (calcium hypochlorite is identical or confusingly similar to Opposer Sinopec Jianghan Salt & Chemical Complex's mark). According to Opposers, Respondent-Applicant was able to come up with a similar mark since the latter is an importer of chemicals which Sinopec Jianghan Salt & Chemical Complex sells in the Philippines.

Opposers explain that Sinopec Jianghan Salt & Chemical Complex is an enterprise engaged in the manufacture of water treatment chemical such as calcium hypochlorite and chlorine, which it exports to many other countries and regions. Information in the company and its products is globally available on the internet at its

¹ A company organized and existing under the laws of the People's Republic of China, with address at Qianjiang Yicun, Hubei Province, China.

² An corporation organized and existing under the laws of the Republic of the Philippines and with address at 627 Del Monte Avenue, San Francisco del Monte, Quezon City.

³ A corporation organized and existing under the laws of the Republic of the Philippines with address at No. 640 Sto. Cristo St., Binondo, Manila.

⁴ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.

official website <http://jscc.com.cn>. In the Philippines, its various importers of Super-Chlor calcium hydrochlorite products allegedly include Respondent-Applicant, UAS Agri-Products Corporation and Opposer L.G. Atkinson Import-Export, Inc. Opposers contend that as Respondent-Applicant purchased calcium hydrochlorite from Opposer Sinopec Jiangnan Salt & Chemical Complex before filing its application for registration, the former knew of the latter's ownership and use of the contested mark. They assert that as mere importer and distributor, Respondent-Applicant has no right to register the mark "SUPER CHLOR & DEVICE".

In support of their Opposition, the Opposers submitted the following as evidence:

1. information on the company and its calcium hypochlorite from website of Opposer Sinopec Jiangnan Salt & Chemical Complex;
2. screen captures from website of China yellow page of information on the company and its calcium hypochlorite;
3. sample commercial invoices of transactions between Opposer Sinopec Jiangnan Salt & Chemical Complex and Philippine companies from September to October 2011; and,
4. affidavit testimonies of Mr. Dong Dajiang, Sales Director of Opposer Sinopec Jiangnan Salt & Chemical Complex, and Mr. Kua Liang Gan, President of Opposer L.G. Atkinson Import-Export, Inc..

For its part, Respondent-Applicant avers that it is engaged in the business of chemical trading and that it imports various chemicals from different suppliers abroad for purpose of selling them in Manila. It admits that it used to import from Opposer Sinopec Jiangnan Salt & Chemical Complex and oftentimes secure services of various brokers or middlemen to facilitate the importation. However, it underscores that the imported calcium hydrochlorite arrives in container of various weight and without the brand as it is stored in plain white containers.

Respondent-Applicant claims that prior to the use of the mark "SUPER CHLOR & DEVICE", it used the brand name Mighty Chlor and Device, which is affixed in the plain white containers where the calcium hydrochlorite is stored. It asserts that beginning 2012, it stopped importing from Opposer Sinopec Jiangnan Salt & Chemical Complex and instead secured from other suppliers. Similarly, it secures services of brokers and middlemen. Also, the imported products arrive in plain containers.

Respondent-Applicant maintains that "SUPER CHLOR & DEVICE" is not registered in the Philippines. It argues that Opposers can only invoke protection and benefits

granted under the Paris Convention where the subject trademark is internationally well-known. It asserts that Opposer Sinopec Jiangnan Salt & Chemical Complex's mark failed to meet the requirements set forth in the Ongpin Memorandum.

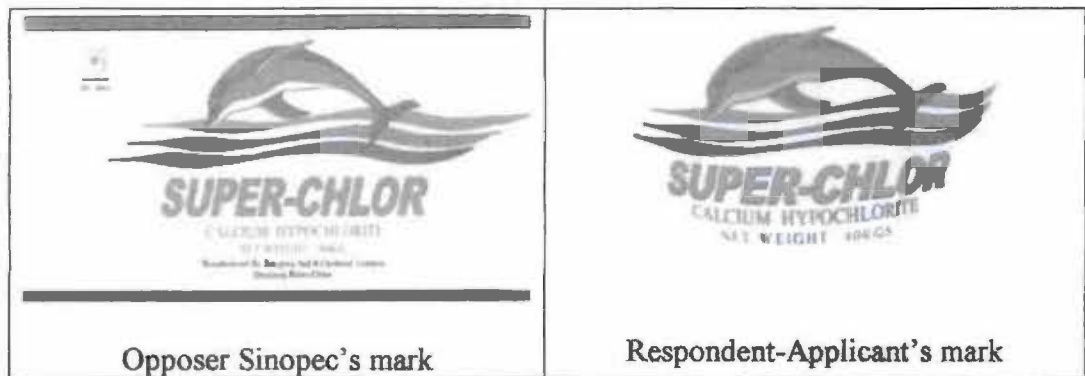
The following pieces of evidence are attached to the Answer:

1. sales contract between Respondent-Applicant and its new suppliers and
2. samples of invoices for importation of calcium hydrochlorite from Kaifeng Industrial Co, Limited.

On 18 September 2013, a Preliminary Conference was conducted and terminated. The parties were then directed to submit their respective Position Papers. After which, the case is submitted for decision.

The issue to be resolved is whether Respondent-Applicant should be allowed to register the trademark "SUPER CHLOR & DEVICE".

For comparison, the competing marks are reproduced below:



It can be readily gleaned that the contending marks are identical. Both depict at the topmost a dolphin with three horizontal waves underneath the same, the word "SUPER-CHLOR" in red and italicized font at the middle and the word "calcium hydrochlorite" below the brand name and the phrase "net weight: 40kg" at the bottom. The only noticeable difference is that the manufacturer's company name is indicated in the mark of Opposer Sinopec Jiangnan Salt & Chemical Complex. It is curious how Respondent-Applicant conceptualized a trademark which has uncanny similarity with that of Opposers distinct mark. Nowhere in its pleading or in its presented evidence did Respondent-Applicant even bother to explain how it came up with its applied mark and/or device.

What is clear to this Bureau though is the fact that Respondent-Applicant admits to have previously imported calcium hydrochlorite from Opposer Sinopec Jiangnan Salt & Chemical Complex. The defense that Respondent-Applicant has no knowledge of the latter's trademark as the imported goods arrive in plain container is self-serving. Echoing the words of the Supreme Court in the case of **American Wire & Cable Company vs. Director of Patents**⁵:

"Of course, 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 appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark."

Aptly, the Opposers dispute the right of the Respondent-Applicant to register the contested mark on the issue of ownership.

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 provision 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

⁵ G.R. No. L-26557, 18 February 1970.

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.

Further, 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 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 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.⁶ 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 **Shangri-la International Hotel Management, Ltd. vs. Developers Group of Companies**⁷, the Supreme Court held:

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

Corollarily, a registration obtained by a party who is not the owner of the mark may be cancelled. In **Berris v. Norvy Abyadang**⁸, the Supreme Court made the following pronouncement:

"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 if 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

⁶ See Section 236 of the IP Code.

⁷ G.R. No. 159938, 31 March 2006.

⁸ G.R. No. 183404, 13 October 2010.

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."

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. To allow Respondent-Applicant to register the subject mark, despite its bad faith, will trademark registration simply a contest as to who files an application first with the Office.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2012-003764 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, 29 October 2013.


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