



OFFICE OF THE DIRECTOR GENERAL

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

-versus-

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

Appeal No. 14-2013-0058

IPC No. 14-2012-00408

Opposition to:

Application No. 4-2012-003764

Date Filed: 26 March 2012

Trademark: SUPER-CHLOR & DEVICE

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DECISION

EMPIRE CHEMICAL CO., INC. (“Appellant”) appeals the decision¹ of the Director of Bureau of Legal Affairs (“Director”) sustaining the opposition filed by SINOPEC JIANGHAN SALT & CHEMICAL COMPLEX and L.G. ATKIMSON IMPORT-EXPORT, INC. (“Appellees”) to the registration of the mark “SUPER-CHLOR & DEVICE”.

Records show that the Appellant filed on 26 March 2012 Trademark Application No. 4-2012-003764 for SUPER-CHLOR & DEVICE for use on *calcium hypochlorite* (*chlorine*). The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 13 August 2012. Subsequently, the Appellees filed a “VERIFIED OPPOSITION” dated 12 October 2012 alleging that they would be damaged by the registration of SUPER-CHLOR & DEVICE which is identical and confusingly similar to the mark of Sinopec Jiangshan Salt & Chemical Complex (“Sinopec”).

The Appellees maintained that Sinopec is an enterprise engaged in the manufacture of water treatment chemicals such as *calcium hypochlorite* or chlorine which it exports to many countries and regions. Sinopec asserted that in the Philippines, it has various importers of *calcium hypochlorite* products such as the Appellant, UAS Agri-Products Corporation, and Appellee L. G. Atkimson Import-Export, Inc. which will be damaged by the registration of SUPER-CHLOR & DEVICE. The Appellees contended that the registration of SUPER-CHLOR & DEVICE will grant the Appellant monopoly on the use of this mark and that as an importer of Sinopec’s *calcium*

¹ Decision No. 2013-2010 dated 29 October 2013.

hypochlorite covered by the mark SUPER-CHLOR & DEVICE, the Appellant has no right to register this mark.

The Appellant filed a "VERIFIED ANSWER" dated 13 March 2013 alleging that it is engaged in the business of chemical trading and that it imports various chemicals from different suppliers abroad. According to the Appellant, one of the products imported by it is the chemical, *calcium hypochlorite*, which it used to import from Sinopec. The Appellant maintained that the *calcium hypochlorite* imported from Sinopec arrives in containers of various weights without the mark SUPER-CHLOR & DEVICE, and stored in a plain white container. The Appellant stated that prior to its use of SUPER-CHLOR & DEVICE, it used the brand name "Mighty Chlor" which is affixed in the plain white containers where the *calcium hypochlorite* is stored. The Appellant averred that Sinopec may not invoke the protection of well-known marks in the absence of evidence showing that its mark is well-known. The Appellant further argued that the cases cited by the Appellees are not applicable in this case because it is not an importer of *calcium hypochlorite* with the brand name SUPER-CHLOR & DEVICE.

After the appropriate proceedings, the Director held that the Appellant cannot register SUPER-CHLOR & DEVICE which is identical with the mark of Sinopec. The Director ruled that the Appellant admitted importing *calcium hypochlorite* from Sinopec and that the Appellant's defense that it has no knowledge of the Sinopec's mark is self-serving. According to the Director, it is the ownership of the mark that confers the right to registration and to allow the Appellant to register SUPER-CHLOR & DEVICE, despite its bad faith, will make trademark registration simply a contest as to who files an application first with the Office.

Not satisfied with the decision, the Appellant filed on 12 December 2013 an "APPEAL MEMORANDUM" citing the following ground:

A.

THE HONORABLE DIRECTOR COMMITTED A REVERSIBLE ERROR WHEN IT (SIC) RULED THAT THE 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.

The Appellant claims that at the time it applied for the registration of SUPER-CHLOR & DEVICE, this mark is not registered in the name of any of the Appellees. The Appellant, thus, argues that the Appellees can only use the protection and benefits granted under the Paris Convention. However, according to the Appellant, the protection

given under this Convention is only on well-known marks and that the Appellees failed to prove that SUPER-CHLOR & DEVICE is a well-known mark.

The Appellees filed a "COMMENT/OPPOSITION TO RESPONDENT'S APPEAL" dated 14 February 2014 arguing that as the prior user of SUPER-CHLOR & DEVICE in the Philippines, it is the owner of this mark and has the exclusive right to register it. The Appellees maintain that while they have not yet registered this mark in the Philippines, Sinopec has been exporting to the Philippines *calcium hypochlorite* with the brand name SUPER-CHLOR & DEVICE. The Appellees contend that the discussion on well-known marks is not relevant in this case and that the Appellant being a mere importer of Sinopec's SUPER-CHLOR & DEVICE *calcium hypochlorite* products, it has no right to register this mark.

On 24 February 2014, this case was referred to the IPOPHL Alternative Dispute Resolution (ADR) Services pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings. Subsequently, on 31 March 2014, this Office received a copy of the "MEDIATOR'S REPORT" stating that the parties refused to undergo the mediation proceedings.

The issue in this appeal is whether the Director was correct in sustaining the opposition to the registration of SUPER-CHLOR & DEVICE in favor of the Appellant.

The Appellant is not disputing that it used to import *calcium hypochlorite* products from the Appellee. In addition, the pieces of evidence submitted by the Appellee included affidavit testimonies citing the importation of *calcium hypochlorite* products from the Appellee² which use the mark SUPER-CHLOR & DEVICE. In this regard, the Appellant has the burden to prove that it is the creator and owner of this mark. While the Intellectual Property Code of the Philippines ("IP Code") does not contain explicit references to ownership of marks as basis for registration, a trademark being any visible sign capable of distinguishing the goods of an enterprise³ connotes that the right to register a mark belongs to its owner.

However, the Appellant instead of adducing proof of ownership of SUPER-CHLOR & DEVICE only argues that because this mark is not well-known and is not registered here in the Philippines, then the Appellee has no basis to oppose the registration of this mark. The Appellant's arguments are not meritorious.

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

² Affidavit Testimonies of Dong Dajian, executed on 09 November 2012 and Kua Liong Gan, executed on 08 November 2012.

³ IP Code, Sec. 121.1.

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.⁴

Accordingly, for failure of the Appellant to adduce evidence of ownership of SUPER-CHLOR & DEVICE, this Office is constrained to sustain the opposition. Sec. 134 of the IP Code states in part that:

SEC. 134. Opposition.- Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application.

In this case, the Appellee Sinopec has proven that it is using SUPER-CHLOR & DEVICE in its business of supplying *calcium hypochlorite* products. On the other hand, the Appellee L. G. Atkinson Import-Export, Inc. maintains that it is importing from Sinopec *calcium hypochlorite* products with the brand name SUPER-CHLOR & DEVICE which is identical to the mark sought to be registered by the Appellant.

Below is a reproduction of the Appellant's and Sinopec's marks.



Appellants' mark



Appellee Sinopec's mark

These illustrations clearly show that the two marks are confusingly similar if not entirely identical. These marks have distinctive characteristics which embody a combination of words and designs indicating a very remote possibility of two entities independently creating these identical or similar marks. Thus, to allow the Appellant to register SUPER-CHLOR & DEVICE would enable it to prevent the Appellees from using this mark in their business on *calcium hypochlorite* products to the prejudice and damage of the interests of the Appellees.

A certificate of registration is a *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark or trade name and of the registrant's

⁴ Pribhdas J. Mirpuri vs. Court of Appeals G.R. No. 114508, 19 November 1999.

exclusive right to use the same in connection with the goods, business or services specified in the certificate.⁵ In addition, the discussion by the Supreme Court of the Philippines in one case is instructive.

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.⁶

It is, thus, surprising why the Appellant is insisting in registering SUPER-CHLOR & DEVICE when it has "millions of terms and combinations of letters and designs available". 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. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others, whether a local resident or a foreigner.

WHEREFORE, premises considered, the instant appeal is hereby DISMISSED. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.

02 OCT 2014 Taguig City


RICARDO R. BLANCAFLOR
Director General

⁵ Shangri-La International Hotel Management, Ltd. V. The Court of Appeals, G. R. No. 111580, 21 June 2001.

⁶ American Wire & Cable Company v. Director of Patents, G. R. No. L-26557, 18 February 1970.