



CP KELCO U.S., INC.,
Petitioner,

-versus-

CELULOSA ARAUCO Y.
CONSTITUCION S.A.,
Respondent.

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IPC No. 14-2012-00430
Petition for Cancellation:
Registration No. 4-2011-002160
Date Issued: 15 September 2011
TM: "CELCO"

X-----X

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 88 dated May 12, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 12, 2015.

For the Director:


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



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Petitioner,

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**CELULOSA ARAUCO Y.
CONSTITUCION S.A.,**
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DECISION

CP KELCO U.S. INC. ("Petitioner")¹ filed a petition to cancel Trademark Reg. No. 4-2011-002160. The registration issued to CELULOSA ARAUCO Y. CONSTITUCION S.A. ("Respondent-Registrant")², covers the mark "CELCO" for use on "cellulose" under Class 01 of the International Classification of Goods and Services³.

The Petitioner alleges, among other things, the following:

"1. Registration No. 4-2011-002160 for the trademark "CELCO" issued on 15 September 2011 covering goods in Class 01 in the name of Celulosa Arauco Y. Constitucion S.A., should be cancelled, in accordance with Section 151.1 pars. (a) and (b), in relation to Section 123.1 pars. (e), (f) and Section 165.2 par. (b) of R.A. 8293 otherwise known as the Intellectual Property Code of the Philippines.

2. Section 155.1 pars. (a) and (b) authorizes any person who will suffer damage by the continued existence of the registration, to file a Petition for Cancellation, to wit:

Section 155. *Cancellation.* – 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

- (a) Within five (5) years from the date of the registration of the mark under this Act.
- (b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as

¹ Corporation duly organized and existing under the laws of the United States, with principal office address at 1000 Parkwood Circle, Atlanta Georgia U.S.A.

² With given address at AVDA. El Golf N 150, PISO 14 Las Condes Casilla 880, Santiago, Chile.

³ 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.

to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used. (n)

3. Section 123.1 pars. (e) and (f), states what may not be registered, to wit:

Section 123. *Registrability.* – 123.1. A mark cannot be registered, to:

xxx

(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 mark 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, accounts 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 has been obtained as a result of the promotion of the mark;

(f) is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use;

4. Section 165.2 par (b) on the other hand provides that:

Sec. 165.2 (b) In particular, any subsequent use of a trade name by a third party, whether as a trade name or a mark or collective mark, or any such of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful."

To support its petition, Petitioner submitted the following:

1. Exhibit "A" – the original duly executed and authenticated Special Power of Attorney;
2. Exhibit "B" – the verification and certification against Non-Forum Shopping duly executed by DAVE G. MARCELO;
3. Exhibit "C" – Didier Viala, affidavit direct testimony;
4. Annex "A" copy about CP KELCO marks global location;
5. Annex "B" copy of Reg. No. 4-2011-500711 for the mark CP KELCO, date of registration 27 October 2011 use for chemical additives used in manufacturing in the fields of agrochemicals, oil production,

pharmaceuticals, personal care products, paper and food production under Class 1;

6. Annex "C" – schedule of mark CP KELCO;
7. Annex "D" – copies of certificate in various countries;
8. Annex "E" – copy of the history of CP KELCO; and
9. Exhibit "D" – Philippine registration for CP KELCO.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 16 January 2013. The Respondent-Applicant, however, did not file an answer. Thus the Hearing Officer issued Order No. 2013-632 on 19 April 2013 declaring the Respondent-Registrant in default and the instant opposition deemed submitted for decision. Thereafter, on 21 May 2013, Respondent-Registrant filed an Entry of Appearance with Omnibus Motion to Lift Order of Default and for Extension of Time to File Verified Answer. This Bureau issued Order No. 2013-1522 dated 06 November 2013 denying the Omnibus Motion and consequently, the instant petition is considered submitted for decision.

Should Registration No. 4-2011-002160 for the mark be cancelled?

The fact that the Respondent-Applicant was declared in default does not automatically result to the grant of this petition. Section 138 of RA No. 8293, also known as the Intellectual Property Code of the Philippines ("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."

Thus, the Petitioner has the burden to prove that there are grounds to cancel the registered mark "CELCO". The Petitioner has to submit substantial evidence, which is defined as "such relevant evidence as a reasonable mind may accept as adequate to support a conclusion".⁴ In this regard, the Petitioner alleges that registration of the mark "CELCO" in violation of Section 123.1 paragraphs (e) and (f) of the IP Code. Comparing the competing marks below:

CP KELCO

Petitioner's Mark

CELCO

Respondent-Registrant's Mark

⁴ In-n-Out Burger Inc. vs. Sehwan, Inc., G.R. No. 179127, 24 December 2008.

one can easily distinguish one from the other. Although the marks both end with the letters "ELCO", the Petitioner's mark consists of two parts, "CP" and "KELCO". On the other hand, the Respondent-Registrant's mark is a solitary word, "CELCO", which appears to be a combination of the beginning syllables of its trade name. Thus, visually, confusion, much less deception, is unlikely. In the same vein, the marks produce different sounds as the Petitioner's mark is composed of four syllables /c-p-kel-ko/ while the Respondent-Registrant's is pronounced as /sel-co/, with the letter "C" read as letter "S" in the same manner the word "cellulose" is pronounced. Marks that end with "CO" preceded by consonants such as "L", "N" and "S" are common. The Trademark Registry of this Office shows marks with the same ending letters and/or syllable also under Class 01 including, among others, "BESCO", "COMINCO" and "NALCO".

Succinctly, the Supreme Court has ruled that the likelihood of confusion is a relative concept; to be determined only according to the particular, and sometimes peculiar, circumstances of each case. In trademark cases, even more than in any other litigation, precedent must be studied in light of the facts of the particular case. The wisdom of the likelihood of confusion test lies in its recognition that each trademark infringement case presents its own unique set of facts. Indeed, the complexities attendant to an accurate assessment of likelihood of confusion require that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined.⁵

Moreover, Petitioner's goods involve *"chemical additives used in manufacturing in the fields of agrochemicals, oil production, pharmaceuticals, personal care products, paper and food production in International Class 1"* while that of Respondent-Registrant's pertain to *"cellulose."* These are not ordinary household items or products. The target market of these goods is predisposed to be knowledgeable and cautious in making its purchase of these kinds of goods. Thus, confusion, much more deception, is highly unlikely.

Furthermore, the Petitioner failed to present substantial evidence showing that the criteria under Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers⁶ is met. Mere registration in

⁵ Societe des Prosuits Nestle, S.A. vs. Court of Appeals, G.R. No. 112012, 04 April 2001.

⁶ 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;

the Philippines and abroad does not automatically make a trademark well-known under the law. Thus, it cannot claim protection under Section 123.1 paragraphs (e) and (f) of the IP Code. Neither did the Petitioner able to prove that its mark's fame could support the claim that the Respondent-Registrant's trademark application and use of the mark "CELCO" manifest the latter's intent of riding in on the goodwill supposedly earned and enjoyed by the former. At most, Petitioner's evidence only prove that it is the owner of the "CP KELCO" mark, which it has pending registrations and applications in various jurisdictions. While Petitioner consistently maintains that it owns the marks "CP KELCO" and "KELCO", the submitted evidence only shows various registrations of the "CP KELCO" mark. These documents do not demonstrate a scintilla of fraud on the part of Respondent-Registrant. Petitioner failed to show that Respondent-Registrant, in adopting the mark "CELCO", was inspired had the intention to ride on the goodwill of the former's mark "CP KELCO". It is also emphasized that the protection under Section 123.1 paragraphs (e) and (f) of the IP Code applies only when the contending marks are confusingly similar. As discussed above, such confusion, much less deception is unlikely.

With the Petitioner's failure to overcome by substantial evidence the presumption of ownership of Respondent-Registrant, there is no reason to cancel the registration of the mark "CELCO".

WHEREFORE, premises considered the Petition for Cancellation is, at it is hereby **DISMISSED**. Let the filewrapper of Trademark Registration No. 4-2011-002160 be returned, together with a copy of this Decision to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 12 May 2015.


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

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- (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 or 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.