

BORER CHEMIE AG,
Opposer,

-versus-

CHEMVALLEY RESOURCES, INC.,
Respondent-Applicant.

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IPC No. 14-2014-00552

Opposition to :

Appln. No. 4-2014-007309

Date Filed: 10 June 2014

TM : "SOLARSEPT"

NOTICE OF DECISION

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Taguig City

CHEMVALLEY RESOURCES, INC.

Respondent-Applicant

168 Westriverside Street

Quezon City

GREETINGS:

Please be informed that Decision No. 2016 - 345 dated October 06, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 06, 2016.

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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BORER CHEMIE AG,	} IPC NO. 14-2014-00552
Opposer,	} Opposition to:
	}
-versus-	} Application No. 4-2014-007309
	} Date filed :10 June 2014
	}
CHEMVALLEY RESOURCES, INC.,	} Trademark: SOLARSEPT
Respondent-Applicant.	}
	}
x-----x	} Decision No. 2016- <u>345</u>

DECISION

BORER CHEMIE AG (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2014-007309. The application, filed by **CHEMVALLEY RESOURCES, INC.** (Respondent-Applicant)², covers the mark “SOLARSEPT”, for use on “spray alcohol based disinfectant” under Class 5 of the International Classification of Goods³.

The Opposer relies on the following grounds in support of its Opposition:

“I. The subject application of the mark ‘SOLARSEPT’ should be denied because it is the Opposer that is the true and rightful owner thereof.

“II. Respondent-Applicant’s application should be denied for having been filed in utter bad faith”

According to the Opposer:


“2. Opposer, BORDER CHEMIE AG was founded in 1965 by Anton Borer under the name PMC Produkte für Medizin und Chemie’. It launched the first product for laboratory glass cleaning, ‘detex 11’. xxx

“3. In 1966, the Opposer launched its ‘DECONEX’ brand. Opposer’s trademark ‘ECONEX’ has been registered by the Opposer in seventeen countries and serves as its umbrella brand for disinfectants and detergents. The mark ‘SOLARSEPT’ is used in connection with Opposer’s ‘DECONEX’ products. xxx

¹ A corporation duly organized under the laws of Switzerland with business address at Gewerbestrasse 13, 4528 Zuchwill, Switzerland

² Philippine corporation with address at 168 Westriverside Street, Quezon City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

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“7. In 1993, the Opposer launched alcohol-based disinfectants with the mark ‘DECOSEPT’ for surgical and hygienic hand disinfectant and ‘SOLASEPT’ for surface disinfection. These were followed by the product line for the cleaning of precision metal parts in 1994.

“8. The Opposer grew quickly, having distributors, in sixty –two countries including Respondent-Applicant in the Philippines. It was Respondent-Applicant that marketed, distributed and sold Opposer’s complete product range, including alcohol-based disinfectant products bearing its mark ‘SOLARSEPT’. xxx

“9. Opposer was the first user of the mark ‘SOLARSEPT’ on 1 July 1997 in Philippine Commerce. It began its use under Republic Act No. 166 when use was based on ownership. Since Opposer is the prior user of the mark SOLARSPT in Philippine commerce, it is the owner of the mark pursuant to Republic Act No. 166. xxx

“10. Respondent-Applicant itself acknowledges that Opposer is the true and lawful owner of the mark ‘SOLARSEPT’. Respondent-Applicant orders from the Opposer disinfectant solutions bearing the mark ‘SOLARSEPT; and goods related to the same.

“11. In 1992, Opposer expanded to the Philippines market by appointing Respondent-Applicant as its Philippine distributor. The parties entered into a Distributorship Agreement dated 10 July 1992 (‘Distributorship Agreement’) Under the Distributorship Agreement, the manufacturer appoints the distributor as its sole authorized distributor for the sale of its complete product range in the territory of the Philippines.

“12. In fact the Respondent-Applicant ordered, marketed and sold goods bearing the mark ‘SOLARSEPT’ from Opposer from 1997 onwards. Respondent-Applicant has been ordering from Opposer goods bearing the mark ‘SOLARSEPT’ in substantial quantities.

“13. On 23 May 2014, Opposer sent to Respondent-Applicant its Termination Letter giving Respondent-Applicant its two (2) months notice that it was terminating the Distributorship Agreement. xxx

“14. In utter bad faith, Respondent-Applicant filed shortly after the date of Termination Letter the subject application for the mark ‘SOLARSEPT’ on 10 June 2014.xxx”

The Opposer submitted as evidence the following:

1. Respondent-Applicant’s application as published in the IPO website;
2. History of Borer Chemie AG Website at [http://www.borer.ch/company/company history](http://www.borer.ch/company/company%20history)
3. Affidavit of Dr. Markus Borer dated 12 February 2015

4. Purchase orders from Respondent-Applicant to Opposer;
5. Copies of sales invoices issued by the Opposer; and
6. Distributorship Agreement dated July 18, 1992 and letter terminating agreement dated 23 May 2014
7. Secretary's Certificate dated 16 October 2014 ⁴

This Bureau served upon the Respondent-Applicant a "Notice to Answer" on 16 March 2015. The Respondent-Applicant, however, did not file an Answer. Thus, the Hearing Officer issued on 13 August 2015 Order No. 2015-1163 declaring the Respondent-Applicant in default.

Should the Respondent-Applicant be allowed to register the trademark SOLARSEPT?

The competing marks, depicted below, are identical:

SOLARSEPT

SOLARSEPT

Opposer's mark

Respondent-Applicant's mark

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 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.⁵

The public interest, 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 fraud should be prevented.

The evidence reveals that the Opposer and Respondent-Applicant entered into a Distributorship Agreement⁶ in 1992 wherein the Respondent-Applicant was authorized to act as sole distributor of the products of the Opposer in the territory of the Philippines. During the duration of the agreement, as seen from the purchase orders⁷, Respondent-Applicant placed orders for products, which includes "SOLARSEPT". This agreement was renewed until it was terminated on 31 July 2014. As importer/distributor, Respondent-Applicant had no right to claim ownership of the mark "SOLARSEPT", much less apply for its registration. The Supreme Court elucidates this point in the case of Superior Commercial Enterprises, Inc. v. Kunnan Enterprises Limited⁸, to wit:

⁴ Exhibits "A" to "L"

⁵ Pribhdas J. Mirpuri v. Court of Appeals, G. R. No. 114508, 19 November 1999.

⁶ Exhibit "G"

⁷ Exhibit "H"

⁸ G.R. 169974, April 20, 2010

"As a mere distributor, petitioner Superior undoubtedly had no right to register the questioned mark in its name. Well-entrenched in our jurisdiction is the rule that the right to register a trademark should be based on ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. Under the Trademark Law, only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or service of others is entitled to register the same. An exclusive distributor does not acquire any proprietary interest in the principal's trademark and cannot register it in his own name unless it is has been validly assigned to him."

Further, in the case of *Unno Commercial Enterprises, Inc. v. General Milling Corporation*⁹, the Supreme Court held:

"The right to register trademark is based on ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. Under the Trademark Law only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or service of others is entitled to register the same.


The term owner does not include the importer of the goods bearing the trademark, trade name, service mark, or other mark of ownership, unless such importer is actually the owner thereof in the country from which the goods are imported. A local importer, however, may make application for the registration of a foreign trademark, trade name or service mark if he is duly authorized by the actual owner of the name or other mark of ownership"

The Respondent-Applicant being a mere distributor/importer, with no authority from the owner, has no right to file an application for the mark "SOLARSEPT".

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-00007309 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, 06 OCT 2016


Atty. ADORACION U. ZARE, LL.M.
Adjudication Officer
Bureau of Legal Affairs

⁹ G.R. No. L- 28554, 28 February 1983.