

KEMISTAR CORPORATION,
Opposer,

-versus-

SHELLHOME CHEMICALS, INC.,
Respondent-Applicant.

x-----x

}	IPC No. 14-2013-00150
}	Opposition to:
}	
}	Appln. Serial No. 4-2011-009655
}	Date Filed: 15 August 2011
}	
}	TM: EON, ORIGINAL SHELL-
}	RECIPE 2, 4-D

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 432 dated 29 November 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 29 November 2016.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

KEMISTAR CORPORATION,

Opposer,

-versus-

SHELLHOME CHEMICALS, INC.,

Respondent-Applicant.

X ----- X

IPC No. 14-2013-00150

Opposition to Trademark

Application No. 4-2011-009655

Date Filed: 15 August 2011

Trademark: "EON, ORIGINAL
SHELL-RECIPE 2, 4-D"

Decision No. 2016- 432

DECISION

Kemistar Corporation¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-009655. The contested application, filed by Shellhome Chemicals, Inc.² ("Respondent-Applicant"), covers the mark "EON, ORIGINAL SHELL-RECIPE 2,4-D" for use on "*fertilizers*" and "*herbicide; pre-emergent herbice for excellent control of commonly occurring broadleaf weeds, grasses and sedges in transplanted and direct seeded rice; insecticides, fungicides, molluscicides*" under Class 01 and 05 of the International Classification of Goods³.

The Opposer alleges that it is engaged in the manufacture, production and sale in commerce of agrochemicals since 1994 and has been using the mark "SHELL 2, 4-D ESTER" since 03 January 2005. It was issued Certificate of Registration Nos. 4-2004-0011937 and 4-2006-006921 for the marks "SHELL 2, 4-D ESTER" and "SHELL 2,4-D ESTER & LOGO", respectively, on 15 February 2007 and 21 May 2007.

The Opposer contends that the Respondent-Applicant's mark is confusing with its own marks. It also alleges that the phrase "ORIGINAL SHELL-RECIPE 2, 4-D" simply imparts information about the significant characteristic of the goods and that the Respondent-Applicant is not entitled to appropriate the slogan to itself. It explains that the term "2, 4-D" is actually *2,4-dichlorophenoxyacetic acid*, a common systemic pesticide/herbicide used in the control of broadleaf weeds. It avers that the latter is not the rightful owner of the mark "EON" as the mark is not used in the concept of an owner.

According to the Opposer, the Respondent-Applicant, a sister company of Altacrop Protection Corporation ("Altacrop"), is familiar and knowledgeable of its marks. In March 2005, Altacrop approached the Opposer with a proposal to use the

¹ A domestic corporation with principal address at No. 62-E WYH Building, Katipunan Street, Concepcion Dos, Marikina City, Metro Manila.

² A domestic corporation with address at Unit 3, 4th Floor Marcelita Building, 2560 National Highway, Brgy. Real, Calamba, Laguna.

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.

"SHELL 2,4-D ESTER" for a fee. After negotiations, they entered into a Memorandum of Agreement whereby the Opposer gave Altacrop the right to use the mark for three years, with the obligation that the latter shall acknowledge on the labels that the former is the registered owner of the mark. In 2008, they executed an Addendum extending the agreement for an indefinite period of time. Their business relationship continued up to 09 June 2010 when the Opposer terminated Altacrop's authority to use the logo effective 01 July 2010. Soon thereafter, Altacrop commenced filing of applications to register marks allegedly colorably imitative of the Opposer's. On 02 August 2010, it demanded Altacrop to cease and desist committing acts of trademark infringement and unfair competition. The latter replied, on 30 September 2010, denying committing said violations. The Opposer thus believes that the subject application is simply part of the schemes employed by Altacrop and Respondent-Applicant to dilute and diminish its rights over the mark "SHELL". In support of its Opposition, the Opposer submitted the affidavit-direct testimony of Jose D.J. Cruz, with annexes.⁴

The Respondent-Applicant filed its Answer on 04 October 2013 alleging, among others, that the mark "EON ORIGINAL SHELL-RECIPE 2,4-D" is derivative mark from the "MCSHELL EC" trademark of its sister corporation, Altacrop. It avers that the applied mark is but a natural, normal and customary consequence of an expanding product line and, consequently, increasing trademark portfolio of thriving businesses. It asserts that the Registrability Report did not cite any other trademark application and/or registration confusingly similar with "EON ORIGINAL SHELL-RECIPE 2,4-D".

According to the Respondent-Applicant, the Opposer is misleading the Office in claiming ownership and incontestability of "SHELL 2,4-D ESTER & LOGO" when the same is under cancellation proceedings under IPC No. 14-2011-00243. Altacrop has also previously filed a petition for cancellation of the Opposer's "CHECKMARK DESIGN" under Registration No. 4-2007-007650 for being confusingly similar with the former's "4-LEAF DEVICE" mark. In Decision No. 2013-109 dated 20 June 2013, the "CHECKMARK DESIGN" was declared cancelled. Altacrop also filed cancellation proceedings of the mark "SHELTER 2,4-D". The Respondent-Applicant thus posits that the present case is an afterthought and retaliatory of the previously filed cases against the Opposer. The Respondent-Applicant's evidence consists of the affidavit of Adeliza Lydia A. Garcia, with annexes.⁵

Pursuant to Office Order No. 154, s. 2010, the Hearing Officer referred the case to mediation. This Bureau's Alternative Dispute Resolution Services, however, submitted a report that the parties refused to mediate. Accordingly, a Preliminary Conference was conducted on 06 February 2014. Upon termination thereof on even

⁴ Marked as Exhibits "A" to "M", inclusive.

⁵ Marked as Exhibits "1" to "7", inclusive.

date, the Adjudication Officer directed the parties to submit their respective position papers. Both parties filed their position papers and the case is then deemed submitted for resolution.

The issue is whether the Respondent-Applicant's mark "EON, ORIGINAL SHELL-RECIPE 2,4-D" should be allowed registration.

Records show at the time the Respondent-Applicant filed its application on 15 August 2011, the Opposer already has an existing trademark registration for the marks "SHELL 2, 4-D" and "SHELL 2, 4-D ESTER & LOGO" issued on 15 February 2007 and 21 May 2007, respectively.

The parties' respective marks are shown below for comparison:

Opposer's marks:

**SHELL 2, 4-D
ESTER**



Respondent-Applicant's mark:

EON, ORIGINAL SHELL-RECIPE 2, 4-D

Both marks appropriate the words "SHELL" and "2, 4-D". The word "ORIGINAL" is disclaimed in the application. On the other hand, the alphanumeric "2, 4-D", which refers to *2,4-dichlorophenoxyacetic acid*, and "ESTER" are generic as

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the same is indicative of the active ingredients of the products. The Supreme Court further explained in **Societe des Produits Nestle vs. Court of Appeals**⁶ that:

"Generic terms are those which constitute 'the common descriptive name of an article or substance,' or comprise the 'genus of which the particular product is a species'" or are 'commonly used as the name or description of a kind of goods,' or 'imply reference to every member of a genus and the exclusion of individuating characters,' or 'refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product,' and are not legally protectable. On the other hand, a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it 'forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is,' or 'if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods,' or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination."

What will then determine the distinctiveness of the marks are the words that surround the generic and/or descriptive words. The prevalent feature of the Opposer's mark is "SHELL", which is also appropriated by the Respondent-Applicant's. There is no showing, however, that the word "SHELL" is generic and/or descriptive to fertilizers, herbicides, insecticides, fungicides and molluscicides. Therefore, the said word is distinctive to the said products. Despite "EON" and "RECIPE", confusion still subsists. Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchasers as to cause him to purchase the one supposing it to be the other.⁷

Succinctly, since the Respondent-Applicant uses or intends to use "EON, ORIGINAL SHELL-RECIPE 2, 4-d" on herbicides, which is covered by the Opposer's registration, it is highly probable that the purchasers will be led to believe that Respondent-Applicant's mark is a mere variation of latter's mark. Withal, the protection of trademarks as intellectual property is intended not only to preserve the goodwill and reputation of the business established on the goods bearing the mark through actual use over a period of time, but also to safeguard the public as consumers against confusion on these goods.

Moreover, it is settled that the likelihood of confusion would not extend not only as to the purchaser's perception of the goods but likewise on its origin. Callman notes two types of confusion. The first is the *confusion of goods* "in which event the

⁶ G.R. No. 112012, 04 April 2001.

⁷ Societe des Produits Nestle,S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

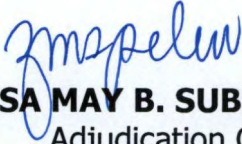
ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other." In which case, "defendant's goods are then bought as the plaintiff's, and the poorer quality of the former reflects adversely on the plaintiff's reputation." The other is the *confusion 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 the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist."⁸

Finally, 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 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.⁹ The Respondent-Applicant's trademark failed to meet this requirement.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-009655 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 29 NOV 2016


Atty. Z'SA MAY B. SUBEJANO-PE LIM
Adjudication Officer
Bureau of Legal Affairs

⁸ Societe des Produits Nestle, S.A. vs. Dy, G.R. No. 172276, 08 August 2010.

⁹ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.