

KEMISTAR CORPORATION,

Opposer,

- versus -

ALTACROP PROTECTION CORPORATION

Respondent-Applicant.

X-----X

IPC No. 14-2012-00373

Opposition to

Appln. No. 4-2012-003897

Date Filed: 28 March 2012

TM "MAXSHELL & DEVICE"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 361 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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IPC No. 14-2012-00373

Opposition to:

Application No. 4-2012-003897

Date Filed: 28 March 2012

Trademark: "MaxShell &
DEVICE"

Decision No. 2016- 361

DECISION

KEMISTAR CORPORATION¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-003897. The application, filed by Altacrop Protection Corporation.² ("Respondent-Applicant"), covers the mark "MAXSHELL & DEVICE" for use on "*fertilizers, insecticides, fungicides, molluscicides*" under Class 01 and "*herbicide-pre-emergence herbicide for excellent control of commonly occurring broadleaf weeds, grasses and sedges in transplanted and direct pulp seed rice; insecticides, fungicides, molluscicides*" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

X X X

"COUNT I: LIKELIHOOD OF CONFUSION"

"1. On 28 March 2012, respondent-applicant filed an application for registration of MaxShell & Device as a trademark in connection with fertilizers, insecticides, fungicides and molluscicides in International Class 1 and herbicides in International Class 5 under Application No. 4-2012-003897. The application is based on intent-to-use the mark in commerce;

"2. The application for the MaxShell & Device mark of respondent-applicant was published for opposition purposes in the IPO E-Gazette that was officially released on 16 July 2012. The opposer requested and was granted two (2) extensions of time in which to file a Notice of Opposition up to and including 14 October 2012;

"3. Since long prior to respondent-applicant's filing date, opposer and its authorized licensee have continuously used the trademark SHELL in commerce on and

¹ A domestic corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal place of business address at No. 62-E WYH Building, Katipunan Street, Concepcion Dos, Marikina City, Metro Manila, Philippines.

² With address at Unit 3, 4F, Marcelita Bldg., 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 service marks, based on a 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 Purposes of the Registration of Marks concluded in 1957.

in connection with goods that are identical to those covered by respondent-applicant's purported trademark;

"4. Opposer is and has been engaged in the manufacture, production and sale in commerce of agrochemicals since 1994;

"5. Agrochemical (or agrichemical), a contraction of agricultural chemical, is a generic term for the various chemical products used in agriculture. In most cases, agrochemical refers to the broad range of insecticides, herbicides, and fungicides, but it may also include synthetic fertilizers, hormones and other chemical growth agents, and concentrated stores of raw animal manure;

"6. On 17 December 2004, opposer lodged an application with the Bureau of Trademarks to register the wordmark SHELL 2, 4-D ESTER for goods falling under International Class 5 namely, herbicides for the control of sedges and broadleaf weeds in rice, corn and sugarcane. The said application was docketed as Application No. 4-2004-011937;

"7. Opposer started using in earnest the trademark SHELL 2, 4-D ESTER on 03 January 2005. The nationwide, extensive and widespread sale of products bearing the SHELL 2, 4-D ESTER trademark attracted attention and gained notice not only from consumers but also from companies engaged in the marketing and sale of pesticide products who saw a big potential of success and profit on the product;

"8. On 28 June 2006, opposer applied for the registration of the mark SHELL 2, 4-D ESTER & Logo, under Application No. 4-2006-006921, which is a composite trademark consisting of the words, numbers and letter SHELL 2, 4-D ESTER in block capitals and the logo of geometric patterns, the design of growing leaves and pictures of plants and bushes. The SHELL 2, 4-D ESTER & Logo is depicted as follows:

x x x

"9. On 15 February 2007, opposer was issued Certificate of Registration No. 4-2004-011937 for the wordmark SHELL 2, 4-D ESTER. Similarly, on 21 May 2007, the composite trademark SHELL 2, 4-D ESTER & Logo was registered in the name of the opposer under Certificate of Registration No. 4-2006-006921;

"10. Opposer's trademarks SHELL 2, 4-D ESTER and SHELL 2, 4-D ESTER & Logo have been registered for more than five (5) years and therefore, have achieved incontestable status;

"11. Opposer has used its trademarks in commerce and has acquired a considerable and valuable goodwill and wide-scale recognition for its trademarks. The public has come to associate the opposer's trademarks with opposer and opposer's herbicides and related goods. Opposer's trademarks have acquired distinctiveness.

"12. Opposer's registrations are prima facie proof of ownership and use of the mark from the original date of filing of the application and of the exclusive right to use the registered mark in commerce;

"13. Respondent-applicant's supposed trademark MaxShell & Device is identical to the registered trademarks SHELL 2, 4-D ESTER and SHELL 2, 4-D ESTER &

Logo of the opposer and is likely, when applied to the identical goods of the respondent-applicant to cause confusion, or to cause mistake or to deceive;

"14. Respondent-applicant has appropriated the entire literal and design elements of opposer's registered trademarks SHELL 2, 4-D ESTER and SHELL 2, 4-D ESTER & Logo, and has varied from opposer's mark by the mere addition of the insignificant and laudatory word Max;

"15. Consumers hearing the respondent-applicant's mark will likely confuse it with the opposer's registered trademarks;

"16. Consumers encountering the respondent-applicant's alleged mark and goods are likely to believe that such goods originate from or are licensed, or are authorized or sponsored by the opposer, in view of the wide-scale fame of the opposer's marks and the indistinguishable differences between opposer's marks and respondent-applicant's mark and the same goods being associated with the respondent-applicant's and the opposer's marks;

"17. Respondent-applicant's mark makes a highly similar commercial impression to opposer's registered trademarks due to its virtually identical sound, meaning and appearance. The overall commercial impression of respondent-applicant's trademark, when applied to the same or similar goods, would cause confusion, mistake or deception;

"18. Respondent-applicant applies or intends to apply its identical if not, confusingly similar mark to identical goods, namely herbicides, which are goods for which opposer is well-known. Accordingly, respondent-applicant's identified goods will likely be directed to the same class or related class of consumers, namely farmers, as those for opposer's goods and will likely be sold in the same channels of trade;

"19. Any problems or complaints concerning respondent-applicant's identified goods sold under respondent-applicant's MaxShell & Device mark are likely to reflect adversely upon opposer and are likely to seriously injure the reputation and goodwill of opposer's SHELL 2, 4-D ESTER and SHELL 2, 4-D ESTER & Logo trademark;

"20. Opposer will be injured and damaged by the granting to applicant of a registration for the mark MaxShell & Device because such mark when applied to the identified goods:

- "a. is likely to cause confusion, to cause mistake or to deceive;
- "b. falsely suggests a connection with opposer;
- "c. will damage opposer's valuable goodwill in its SHELL trademarks; and,
- "d. will affect adversely and cause serious damage to the financial viability and capability of opposer to continue its crop protection business.

"COUNT II: FRAUD IN PROCURING TRADEMARK REGISTRATION

"21. Opposer hereby incorporates by reference the allegations of Paragraphs 1 through 20 hereof as if fully set forth herein;

"22. Respondent-applicant is not the rightful owner of the trademark MaxShell & Device because it has not used the said mark in the concept of an owner;

"23. Respondent-applicant has not acquired a lawful right of ownership in the MaxShell & Device trademark;

"24. If respondent-applicant has advised the Bureau of Trademarks of its status, registration would have been refused;

"25. In addition, respondent-applicant committed intentional falsehood when it expressly and willfully classified the goods insecticides, fungicides and molluscicides as falling in both International Classes 1 and 5 when respondent-applicant knew fully well and is cognizant that the said goods are proper under International Class 5;

"26. Clearly, respondent-applicant procured approval of its application for registration by fraud on the Bureau of Trademarks;

"27. Opposer will be injured and damaged by the granting to respondent-applicant of a registration for the mark MaxShell & Device because such mark, when applied to the identified goods:

- "a. may be used in an unfair manner by respondent-applicant as a basis for threatening opposer's lawful use of its SHELL trademark; and,
- "b. will give color of rights to respondent-applicant and will continue to be an impediment to opposer's ability to use its SHELL trademark; and,
- "c. such registration would grant to respondent-applicant prima facie evidence of the exclusive right to use the MaxShell & Device mark in conjunction with respondent-applicant's opposer.

"COUNT III: RESPONDENT-APPLICANT ACTED IN BAD FAITH IN ADOPTING ITS MARK AND IN PROSECUTING ITS APPLICATION

"28. Opposer hereby incorporates by reference the allegations of Paragraphs 1 through 27 hereof as if fully set forth herein;

"29. Respondent-applicant was intimately familiar and knowledgeable of opposer's SHELL and logo marks as used on herbicides and the marks' fame, wide-scale recognition and popularity among consumers when it filed its application to register the identical/confusingly similar MaxShell & Device;

"30. In March of 2005, respondent-applicant approached opposer with a proposal to use the trademark SHELL 2, 4-D ESTER for a fee. The initial proposal of respondent-applicant was followed by intense negotiations that culminated into a Memorandum of Agreement that the herein parties entered into on 23 May 2005;

"31. Under the said Memorandum of Agreement, opposer gave respondent-applicant the right to use the trademark SHELL 2, 4-D ESTER for three (3) consecutive years beginning from the date of the signing of the Memorandum of Agreement. For its part, respondent-applicant will pay opposer the sum of US \$8,000.00 for the first year,

US\$9,000.00 for the second year and US \$10,000.00 for the final year of the contract for the right to use the SHELL 2, 4-D ESTER trademark;

"32. Pursuant to the terms and conditions of the Memorandum of Agreement, respondent-applicant was required and obliged to acknowledge on the labels that opposer is the registered owner of the trademark SHELL 2, 4-D ESTER. Opposer approved the following label that respondent-applicant used in selling the herbicide products bearing the registered trademark SHELL 2, 4-D ESTER of the opposer:

x x x

"33. In the early days of 2008, the opposer and respondent-applicant executed an Addendum to Memorandum of Agreement whereby opposer agreed to extend for an indefinite period of time the right of respondent-applicant to use the trademark SHELL 2, 4-D ESTER and its logo;

"34. The business relationship of opposer and respondent-applicant continued up to 09 June 2010 when opposer terminated the license/authority of respondent-applicant to use the trademark SHELL 2, 4-D ESTER and its brand logo effective 01 July 2010;

"35. Soon after the termination of the Memorandum of Agreement took effect on 01 July 2010, respondent-applicant commenced filing applications to register the following trademarks that so resembles and are colorably imitative of opposer's SHELL and its logo marks, viz:

x x x

"36. On 02 August 2010, undersigned counsel informed respondent-applicant that it is infringing on opposer's duly registered trademarks SHELL 2, 4-D ESTER and SHELL 2, 4-D ESTER & Logo by adopting, using and/or registering trademarks that are identical or confusingly similar to the said trademarks. Furthermore, undersigned counsel demanded from respondent-applicant, among others, to cease and desist from committing acts of trademark infringement and unfair competition defined and punished under Sections 155 and 168 of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines;

"37. In a letter dated 30 September 2010, respondent-applicant denied committing any acts of infringement and/or unfair competition;

"38. On 20 July 2011, respondent-applicant's sister company ShellHome Chemicals Incorporated filed Application No. 4-2011-008475 which is an application to register the ShellHome & Device as a trademark in connection with herbicides in International Class 5. The said application is the subject matter of an action for Notice of Opposition filed by Kemistar and docketed with the Bureau of Legal Affairs as Inter Partes Case No. 14-2012-00037;

"39. Without doubt, respondent-applicant's application to register MaxShell & Device as a trademark is nothing but its latest caper in a series of Machiavellian and disingenuous ploys and sinister schemes contrived, concocted and cooked-up by respondent-applicant to serve no other purpose but to limit, diminish, dilute, invalidate or destroy opposer's rights to its registered trademarks;



"40. The mark of respondent-applicant uses a font/typeface, font size, color and a sequence/arrangement of the literal and design elements that are identical or confusingly similar to the labels of opposer. The imitation of opposer's label is a deliberate act of respondent-applicant which it made pursuant to an evil and fraudulent intent to deceive if not, confuse the unsophisticated farmer consumers of herbicide products and/or to falsely suggest a connection with the opposer when such connection is neither warranted nor authorized. There is no question that respondent-applicant's intended use of the alleged mark points uniquely and unmistakably to opposer, and is intended to do so. It is undisputed and indisputable that respondent-applicant is in bad faith when it adopted the opposed mark and prosecuted the trademark application challenged in the instant case;

"41. Because of the wide-scale recognition and popularity of opposer's registered trademark SHELL amongst farmers, the respondent-applicant is obtaining by its conduct the benefit of an association to which it is not entitled;

"42. Respondent-applicant's conduct of adopting and applying for the registration of MaxShell & Device as a trademark are inconsistent with norms of reasonable, honest and fair commercial behavior;

"43. Opposer has been and will be injured and damaged by the granting to applicant of a trademark registration for MaxShell & Device because such mark, when applied to the identified goods of the respondent-applicant:

- "a. has no other purpose but to limit, diminish, dilute, invalidate or destroy opposer's rights to its registered trademark SHELL;
- "b. will injure opposer's reputation and unique identity in the minds of the farmer consumers of herbicide products, and
- "c. will blur the distinctiveness of opposer's widely recognized and popular trademarks.

The Opposer's evidence consists of the Affidavit-Direct Testimony of Jose D.J. Cruz, Chairman of the Board and Chief Executive Officer of Kemistar Corporation; a copy of the Amended Articles of Incorporation of Kemistar Corporation; a copy of the Amended Articles of Incorporation of Altacrop Protection Corporation; a copy of the Memorandum of Agreement between Kemistar Corporation and Altacrop Protection Corporation; sample product label of SHELL 2, 4-D ESTER; a copy of Certificate of Registration No. 4-2004-011937 for the trademark SHELL 2, 4-D ESTER issued on 15 February 2007; a copy of the Certificate of Registration No. 4-2006-006921 for the mark SHELL 2, 4-D ESTER & LOGO issued on 28 June 2006; a copy of the Addendum to Memorandum of Agreement between Kemistar Corporation and Altacrop Protection Corporation; a copy of the letter dated 09 June 2010 to Altacrop Protection Corporation sent by Kemistar Corporation President, Jose D.J. Cruz; a copy of the letter dated 02 August 2010 to Altacrop Protection Corporation sent by Opposer's counsel, Atty. Chito B. Dimaculangan; and a copy of the letter dated 20 September 2010 to Atty. Dimaculangan, sent by Respondent-Applicant's counsel, Atty. Mon Felicilda.⁴

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

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Applicant on 05 November 2012. The Respondent-Applicant filed their Answer on 31 January 2013 and avers the following:

x x x

"III

"AFFIRMATIVE ALLEGATIONS AND DEFENSES

"6. The subject application-MAXSHELL & DEVICE - is derived and is a 'derivative and composite mark' from Respondent's various trademark registrations, to wit:

x x x

"7. A representation of the actual product label of the mark McShell EC (herbicide product) is shown below, x x x

"8. A simple examination of the above trademarks and devices owned and registered under the name of the Respondent would readily show that the subject trademark application - MAXSHELL & DEVICE - is but a derivation, a reiteration or replication and/or combination of the three trademarks, thus, a derivative and composite mark, adopted from the said previously registered trademarks, which to repeat, are already registered under Respondent's name, in line with current branding and marketing practices of any commercial venture expanding its business.

"9. The trademark McShell EC is registered for Class 05 (herbicides) and has been in actual commercial use since 2009. The two other marks - 4-Leaf Device (registered for Classes 01 (fertilizers) and 05 (herbicides and insecticides) and Cyanamid Leaf & Device (registered for Class 05 [herbicide]) have been used and are in current actual commercial use for various trademarks of the respondents covering numerous fertilizers, herbicides and insecticides products of the Respondent which product labels are representatively shown below.

x x x

"10. The common denominator-device of the above trademarks and product labels of the Respondent is the 4-Leaf Device and Cyanamid Leaf & Device trademark under Certificate of Registration Nos. 4-2007-000274 and 4-2009-006447, respectively; which devices (to repeat) has been duplicated, replicated and/or simulated and in the subject mark - MAXSHELL & DEVICE.

"11. On the other hand, the sound and pronunciation of the MAXSHELL & DEVICE trademark is derived, simulated, replicated and/or taken from the McShell EC trademark of the Respondent already registered with the Bureau of Trademark since 31 March 2011.

"12. Respondent's actual product labels using the 4-Leaf Device and Cyanamid Leaf & Device are herein attached x x x

"13. The MAXSHELL & DEVICE trademark and the products covered by the same -fertilizers, insecticides, fungicides, molluscides and herbicides - is therefore but a natural and normal consequence of an expanding product line and, consequently, increasing trademark portfolio of a thriving business.

"14. Respondent having already owned and registered under its name the 4-Leaf Device trademark (Reg. No. 4-2007-000274), the Cyanamid Leaf & Device trademark (Reg. No. 4-2009-006447) and the McShell EC trademark (Reg. No. 4-2010-007337) is well-within its trademark and business rights to adopt, apply, prosecute and procure the MAXSHELL & DEVICE trademark which is legal parlance 'within the normal and natural business expansion of the trademark and business owner to pursue and rightfully have' as rightfully declared by no less than the Bureau of Trademarks of the Intellectual Property Office.

"15. Opposer tries to mislead this Honorable Office in claiming ownership and incontestability of the Shell 2, 4-D Ester & Logo trademark (Registration No. 4-2006-006921) when the same is in fact under cancellation proceedings under IPC No. 14-2011-00243 before this Honorable Office where the Respondent is the Petitioner.

"16. In fact, Respondent has previously filed another cancellation proceedings against Opposer's Checkmark Design (Registration No. 4-2007-007650) for being a copy-cat mark of Respondent's 4-Leaf Device trademark.

"17. Herein opposition proceedings against the MAXSHELL & DEVICE trademark of the Respondent is but an afterthought, a retaliatory, desperation act and harassment suit of the Opposer, it being a Respondent itself in at least three (3) inter-partes cases previously filed by the Respondent, to wit:

x x x

"18. The actual label of the above trademark registration is shown below:

x x x

"19. Needless to say, the merits of the above cases will be separately argued and discussed in their respective fora with the given information that this Opposition case is but a retaliatory act and afterthought move on the part of the Opposer against the Respondent.

"20. The MAXSHELL word mark is clearly different in sound, pronunciation, spelling even in definition or connotation as against Opposer's Shell mark. By definition or connotation, Shell and MAXSHELL have different meanings or reference. 'Shell' is commonly defined by dictionaries as 'a hard outer covering, i.e. a nutshell, the shell of the tortoise seashell.' On other hand, 'MAXSHELL' (as previously stated) is a derivative and composite mark derived/duplicated, replicated and/or simulated from Respondent's previously registered McShell EC trademark (Reg. No. 4-2010-007337).

"21. The Supreme Court has in a long line of cases found the following marks NOT confusingly similar. 'Pertusin' and 'Atusin' (Etepha vs. Director of Patents, 16 SCRA 495 [1966]) both for the treatment of cough; 'Bioferin' and 'Bufferin' (Bristol Meyers Co. vs. Director of Patents, 17 SCRA 128 [1966]) both for medicine; 'Alaska' and 'Alacta' (Mead Johnson & Co., vs. NVJ Van Dorp. Ltd., 7

SCRA 768 [1963]) for powdered half-skim milk; 'Sulmetine' and 'Sulmet' (American Cyanamid Co., vs. Director of Patents, 76 SCRA 568 [1977]) both for veterinary medicine used for the same purpose; 'Victorias' and diamond design and 'Valentine' and diamond design (Victorias Milling Co., Inc. vs. Ong Su, 79 SCRA 207 [19787]) both for sugar; and 'Fruit of the Loom' and 'Fruit for Eve' (Fruit of the Loom, Inc. vs. Court of Appeals, 133 SCRA 405 [1984]) both for lingerie and evening wear.

"22. In the same vein, Shell and MAXSHELL should be allowed to co-exist as trademarks both for fertilizers, herbicides, fungicides and other products for veterinary purposes.

"23. Based on the above jurisprudence laid down time and again by the Supreme Court, Shell and MAXSHELL are words and/or marks that are NOT similar and/or confusingly similar.

"24. As for the subject Devices, the same is the subject of Ongoing inter-partes proceedings (Cancellation and Opposition cases) involving herein Opposer and Respondent, the former having illegally appropriated the same to the damage and prejudice of the latter.

"25. As with all its existing trademark registrations and applications, the design, text and conceptualization of the mark MAXSHELL & DEVICE is Respondent's own to the exclusion of any other party.

"26. For all its fertilizers, insecticides, fungicides molluscides and herbicide products, the production is undertaken by Respondent's Toll Manufacturer-Agchem Manufacturing Corporation (Agchem)- located at 102 Progress Avenue corner Merit drive, Carlmeray Industrial Park 1, Canlubang, Calamba City, Laguna.

"27. It must be emphasized that Agchem as Respondent's Toll Manufacturer, produces and Respondent's fertilizers, insecticides, fungicides molluscides and herbicide products, for and on behalf of Respondent under the latter's control and supervision.

"28. The modern business term for this is outsourcing which (for the information of the Opposer) is an arrangement in which one company provides services for another company that could also be or usually have been provided in-house.

"29. All fertilizers, insecticides, fungicides molluscides and herbicide products under the name of Respondent are the latter's own without any ownership claim on the part of its toll manufacturer, thus, it is malicious, irresponsible and wicked on the part of Opposer to suggest without any basis that Respondent is procuring trademark registrations with the Bureau of Trademark by means of fraud and bad faith.

"30. Respondent has laboriously applied/acquired all its trademark registrations with the Bureau of Trademarks legally and above-board under the rules and regulations of the said Bureau and will continue to do so re all its other trademark applications.

"31. Opposer pitifully and lamely suggests fraud and intentional falsehood on the part of the Respondent on the basis of erroneous classification of goods even when the Bureau of Trademarks itself affirmed such classification, which for the information of the Opposer, is the 'principal authority' or the main Bureau of the Intellectual Property Office precisely tasked to classify goods and services to which any mark is applied for.

"32. In the Memorandum of Agreement [MOA] between the Opposer and Respondent (Exhibit 'D') it is clear, obvious and apparent that the word mark Shell (2, 4-D Ester) belongs to and is owned by Opposer, whereas the 4-Leaf Device (herein Device in the MAXSHELL & DEVICE) placed in the label of the Shell 2, 4-D product belongs and is owned by the Respondent.

"33. In other words, the said MOA refers to the trademark Shell 2-4-D Ester under Certificate of Registration No. 4-2004-011937 (Exhibit 'F') which is a word mark DEVOID of any 4-Leaf Device.

"34. The best evidence itself is the Exhibit F itself of the Opposer which is devoid of any Device/Symbol and/or Logo. It is the Opposer itself that is guilty of bad faith in claiming ownership of the Device in the MAXSHELL & DEVICE (4-Leaf Device), thus, it is now a Respondent (Opposer herein) in at least three (3) cases initiated by the Respondent (Petitioner therein).

"35. A careful examination of the subject MOA will show that Respondent was NOT a licensee for the 4-Leaf Device and/or the copy-cat Checkmark Design as the same (4-Leaf Device nor Checkmark Design) was not involved nor was the subject trademark in that Agreement.

"36. We quote Paragraph 5 of the above MOA as follows:

x x x

"37. The trademark referred to is the mere word mark Shell 2, 4-D Ester Trademark which excludes the 4-Leaf Device in the label UTILIZED AND ACTUALLY OWNED by the Respondent Altacrop acknowledges that the Shell 2, 4-D Ester word mark is the trademark of the Opposer, however, this excludes the 4-Leaf Design owned by it (Respondent), which Device is the same Device in the mark MAXSHELL & DEVICE.

"38. The subject trademark in Exhibit F is herein reproduced below:

x x x

"39. In fact, in a letter dated 23 February 2005 (Exhibit '14' certified true copy) to Dr. Dario Sabulase of the Fertilizer & Pesticides Authority, Opposer's own President Melquiades de Jesus, M.D. acknowledged that the label consisting of the 4-Leaf Device (herein device in the MAXSHELL & DEVICE) and attached to Opposer's Shell 2, 4-D Ester products is owned and belonging to Respondent, we quote paragraph 4 thereof:

x x x

"40. To re-emphasize and repeat, the word mark Shell (2, 4-D Ester) may belong to the Opposer while the device and/or logo or label consisting of the 4-

Leaf Device (herein Device in the MAXSHELL & DEVICE) belongs to the Respondent.

"41. Other than the self-serving and worthless Affidavit Testimony of Opposer's witness (Jose DJ Cruz) there is NO INDEPENDENT AND CORROBORATIVE SUBSTANTIAL EVIDENCE proving the alleged nationwide, extensive and widespread sale of Opposer's products bearing the Shell 2, 4-D Ester trademark; the alleged considerable, valuable goodwill and distinctiveness of Opposer's Shell mark; and the alleged 'fame, wide-scale recognition and popularity among consumers' of Opposer's Shell mark.

"42. Basic is the rule in evidence that he who alleges must prove his allegations with the degree of evidence required to merit any evidentiary weight or probative value from the courts. Failing which, the complaint or petition must be dismissed for lack of evidence.

"43. The subject Affidavit-Testimony is a mere litany of assumptions and/or propositions by the Affiant (Jose DJ Cruz) without any independent and corroborative substantial evidence to support his allegations from which he draws his conclusions of facts and/or even conclusion of laws.

"44. The established rule is that in administrative proceedings, the complainant bears the onus of proving, in general by substantial evidence, the allegations in the complaint. [Ong vs. Dinopol, 582 SCRA 487; Macias vs. Macias, 601 SCRA 203].

"45. The Exhibits attached in the Affidavit-Testimony of Jose DJ Cruz DO NOT PROVE by any iota of evidence: (a) the alleged nationwide, extensive and widespread sale of Opposer's products bearing the Shell 2, 4-D Ester trademark; (b) the alleged considerable, valuable goodwill and distinctiveness of Opposer's Shell mark; and (c) the alleged fame, wide-scale recognition and popularity among consumers of Opposer's Shell mark.

"46. It is basic that one who alleges a fact has the burden of proving it and a mere allegation is not evidence.

"47. In MOF Company, Inc., vs. Shin Yang Brokerage Corporation, 608 SCRA 521, the Supreme Court ruled that basic in the rule in evidence that the burden lies upon him who asserts it, not upon him who denies, since by the nature of things, he who denies a fact cannot produce any proof of it.

"48. For utter lack of evidentiary weight or probative value, SUBJECT OPPOSITION against the Maxshell & Device trademark must be, as it should be DISMISSED.

The Respondent-Applicant's evidence consists of the Affidavit of Grace E. Mogar, Company Controller of Respondent-Applicant; a copy of the Certificate of Registration No. 4-2007-000274 for the trademark 4-Leaf Device issued on 05 November 2007; copy of Certificate of Registration No. 4-2009-006447 for the trademark Cyanamid Leaf & Device issued on 26 November 2009; a copy of Certificate of Registration No. 4-

2010-007337 for the trademark MCSHELL EC issued on 31 March 2011; a representation of the actual product label of the mark McShell EC (herbicide product); actual product labels using the 4-Leaf Device and Cyanamid Leaf & Device; and a copy of the letter dated 23 February 2005 to Fertilizer & Pesticides Authority sent by the President of Kemistar Corporation, Melquiades de Jesus M.D.⁵

On 22 April 2013, the Preliminary Conference was terminated and parties were directed to file their respective position papers. Thereafter, the case was deemed submitted for resolution.

Should the Respondent-Applicant be allowed to register the trademark MAXSHELL & DEVICE?

Records show that at the time the Respondent-Applicant filed its trademark application on 28 March 2012, the Opposer owns registrations for SHELL 2, 4-D ESTER under Trademark Reg. No. 4-2004-011937 issued on 17 December 2004 and SHELL 2, 4-D ESTER & LOGO under Trademark Reg. No. 4-2006-006921 issued on 21 May 2007. On the other hand, the Respondent-Applicant secured registrations for DEVICE (4-Leaf Design) under Trademark Reg. No. 4-2007-000274 issued on 09 January 2007, CYANAMID LEAF & DEVICE (A REPRESENTATION OF A LEAF DEVICE ABOVE THE WORD "CYANAMID LEAF" under Trademark Reg. No. 4-2009-006447 issued on 30 June 2009 and McSHELL EC under Trademark Reg. No. 4-2010-007337 issued on 07 July 2010. This Bureau noticed that the goods covered by Respondent-Applicant's trademark application for MAXSHELL & DEVICE are similar to the Opposer's.

Hence, the question, does MAXSHELL & DEVICE of Respondent-Applicant resemble Opposer's trademark registrations for SHELL 2, 4-D ESTER and SHELL 2, 4-D ESTER & LOGO such that confusion or deception is likely to occur? The marks are shown below:



Opposer's trademark



Respondent-Applicant's mark



⁵ Marked as Exhibits "1" to "14", inclusive.

Anent the Opposer's argument that Respondent-Applicant's supposed trademark MaxShell & Device is identical to the registered trademarks SHELL 2, 4-D ESTER and SHELL 2, 4-D ESTER & Logo of the Opposer, this Bureau finds that confusion is unlikely to occur in this instance. The differences between the marks are sufficient to distinguish one from the other, thus, avoiding the likelihood of confusion. Except for the four-leaf design, the words SHELL 2, 4-D ESTER can not be found in Respondent-Applicant's mark MAXSHELL & DEVICE. The word or words appearing in Respondent-Applicant's mark is MAXSHELL and not the combination of the words and numbers SHELL 2, 4-D ESTER. Hence, given the above premises, this Bureau should now resolve the issue of origin and ownership of the 4-Leaf Design. Between Opposer and Respondent-Applicant, it is the latter which first applied for trademark registration the 4-LEAF DESIGN under Trademark Application Serial No. 4-2005-005492 filed on 15 June 2005, which was nonetheless declared abandoned by the Bureau of Trademarks. Opposer's SHELL 2, 4-D ESTER & LOGO (The Design of Growing Leaves...) was filed on 28 June 2006. In Inter Partes Case No. 14-2010-00244 entitled "Altacrop Protection Corporation vs. Kemistar Corporation"⁶, the Bureau held that:

"x x x While it is true that the mark was cancelled by the Bureau of Trademarks for failure to revive the mark, the cancellation of the trademark does not necessarily constitute abandonment of trademark.

Abandonment, which is in the nature of a forfeiture of a right, must be shown by clear and convincing evidence. x x x Hence, the non-filing of affidavit of use is not fatal to the right to ownership over the mark when there is no clear intention or fact of abandonment. In fact, the Petitioner's application for re-registration after its original registration belies the fact or intention of abandonment."

Also, Respondent-Applicant's mark MAXSHELL & DEVICE is derived from a combination of its previous trademark applications and registrations namely:



1) 4 LEAF DESIGN under Application Serial No. 4-2005-005492 filed on 15 June 2005; 2) DEVICE (4-Leaf Design) under Trademark Reg. No. 4-2007-000274 issued on 09 January 2007; 3) CYANAMID LEAF & DEVICE (A REPRESENTATION OF A LEAF DEVICE ABOVE THE WORD "CYANAMID LEAF" under Trademark Reg. No. 4-2009-006447 issued on 30 June 2009; and 4) McSHELL EC under Trademark Reg. No. 4-2010-007337

⁶ Decision No. 2013-109, 20 June 2013.

issued on 07 July 2010. The Certificate of Registration, when presented in evidence, affords a prima facie presumption of its correctness and validity, specifically, of the registrant's ownership of the mark. Section 138 of R.A. 8293 states:

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.

That Respondent-Applicant is the originator and owner of the trademark 4-Leaf Design is further supported by the existence of trademark registrations for 4 LEAF DESIGN and CYANAMID LEAF & DEVICE as abovementioned. Likewise, this Bureau has previously granted the cancellation of the trademark "Checkmark" in the name of Respondent Kemistar Corporation (Opposer herein) when it held in Inter-Partes Case No. 14-2010-00244 entitled "Altacrop Protection Corporation vs. Kemistar Corporation"⁷ that:

"The contention of the Respondent-Registrant that the Memorandum of Agreement which set a licensing agreement between the parties belies ownership of Petitioner over its mark "4-Leaf Design", is not accurate. A review of the Addendum of Agreement shows that the subject of the said agreement is the word mark 'Shell 2, 4-D Ester' without the design of the growing leaves. Similarly, the Addendum to Memorandum of Agreement likewise provide for the word mark 'Shell 2, 4-D Ester' which does not include the design of the growing leaves, and not its composite mark 'Shell 2, 4-D Ester & Logo'.

Accordingly, this Bureau finds that the Respondent-Registrant's trademark is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, the instant Petition is hereby GRANTED. Accordingly, Certificate of Registration No. 4-2007-007650 issued on 18 April 2008 for the trademark "Checkmark" in the name of Kemistar Corporation, is hereby CANCELLED. (Emphasis supplied)

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.⁸ This Bureau finds that the Respondent-Applicant's mark sufficiently serves this function.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2012-003897 is hereby DISMISSED. Let the filewrapper of the subject

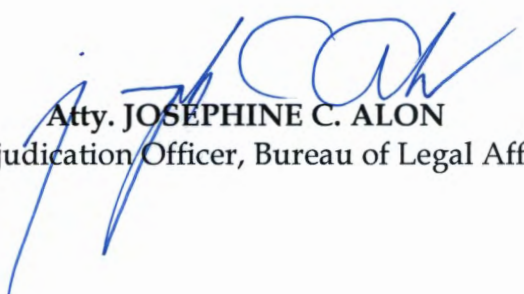
⁷ *supra*.

⁸ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

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. JOSEPHINE C. ALON
Adjudication Officer, Bureau of Legal Affairs