

KEMISTAR CORPORATION,
Opposer,

-versus-

SHELLHOME CHEMICALS INC.,
Respondent-Applicant.

X-----X

} IPC No. 14-2012-00037
}
} Opposition to :
} Appln. No. 4-2011-008475
} Date Filed: 20 July 2011
}
} TM : "SHELLHOME & DEVICE"
}
}
}
}

NOTICE OF DECISION


Atty. CHITO B. DIMACULANGAN
Counsel for Opposer
Suite 2016 Cityland 10 Tower One
6815 N. Ayala Avenue, Makati City

FELICILDA & ASSOCIATES (CildaLaw)
Counsel for Respondent-Applicant
Unit 1902-A Philippine Stock Exchange (PSE) Centre
East Tower, Exchange Road
Ortigas Center, Pasig City

GREETINGS:

Please be informed that Decision No. 2016 - 356 dated October 05, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 05, 2016.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

KEMISTAR CORPORATION,
Opposer,

- versus -

SHELLHOME CHEMICALS INC.,
Respondent-Applicant.

X ----- X

IPC No. 14-2012-00037

Opposition to:

Appln. No. 4-2011-008475

Date Filed: 20 July 2011

Trademark: "**SHELLHOME & DEVICE**"

Decision No. 2016 - 356

DECISION

KEMISTAR CORPORATION ("Opposer")¹ filed a verified opposition to Trademark Application Serial No. 4-2011-008475. The application, filed by SHELLHOME CHEMICALS INC. ("Respondent-Applicant")², covers the mark "SHELLHOME & DEVICE" for use on goods namely: *"fertilizers, insecticides, fungicides, molluscicides";* and, *"herbicides, pre-emergent herbicide for excellent control of commonly occurring weeds, grasses and sedges in transplanted and direct seeded rice"*, under classes 01 and 05 of the International Classification of Goods.³

The Opposer alleges that it is engaged in the manufacture, production and sale in commerce of agrochemicals since 1994. Opposer and its authorized licensee have continuously used the trademark SHELL in commerce in connection with goods that are identical to those covered by Respondent-Applicant's trademark, prior to the application for registration of SHELLHOME & DEVICE.

According to the Opposer, Respondent-Applicant's trademark SHELLHOME & DEVICE is identical its SHELL trademark. It covers identical goods, namely herbicides, which are goods for which Opposer is well-known. Thus, Respondent-Applicant's goods are likely directed to the same or related class of consumers, namely farmers, and sold in the same channels of trade to cause confusion, mistake or deception. Moreover, consumers encountering Respondent-Applicant's alleged mark and goods are likely to believe that such goods originate from or are licensed, authorized or sponsored by the Opposer, in view of the wide-scale fame of the Opposer's marks and the indistinguishable differences. It will also falsely suggest a connection with the Opposer that will damage Opposer's valuable goodwill in its SHELL mark.

Finally, the Opposer averred that there is fraud in Respondent-Applicant's procuring the registration because it is not the rightful owner of the trademark ShellHome & Device and actually acted in bad faith in adopting its mark and in prosecuting for registration of said mark.

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

² A corporation with principal place of business at unit 3, 4th Floor Marcelita Building, 2560 National Highway, Bgy. Real, Calamba, Laguna.

³ The Nice Classification of goods and services is for registering trademark and service marks, based on a 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.



The Opposer's evidence consists of the following:

1. Affidavit-Direct Testimony of Jose D.J. Cruz, Chairman of the Board and Chief Executive Officer of Kemistar Corporation;
2. Certificate of Filing Amended Articles of Incorporation of Kemistar Corporation;
3. Certificate of Incorporation of Shellhome Chemicals Incorporated;
4. Memorandum of Agreement between Kemistar Corporation and Altacrop Protection Corporation;
5. Product Label of Shell 2, 4-D Ester;
6. Certificate of Registration No. 4-2004-011937 for Shell 2, 4-D Ester;
7. Certificate of Registration No. 4-2006-006921 for Shell 2, 4-D Ester & Logo;
8. Addendum to the Memorandum of Agreement between Kemistar Corporation and Altacrop Protection Corporation;
9. Letter dated 09 June 2010 to Altacrop Protection Corporation;
10. Demand letter dated 02 August 2010 to Altacrop Protection Corporation Re: Infringement of the Trademarks SHELL and Checkmark Design of Kemistar Corporation; and,
11. Reply letter of Altacrop Protection Corporation's counsel.

On 16 July 2012, Respondent-Applicant filed its Answer containing Affirmative Allegations and Defenses. It is affirmed that the words and/or marks SHELL and SHELLHOME are NOT similar and/or confusingly similar. Shellhome is clearly different in sound, pronunciation, spelling even in definition or connotation as against the word SHELL. Hence, allegation of mistake or deception on the public has no basis in law or in fact. By definition or connotation, the words shell and shelter have different meaning or reference. Shell is commonly defined by dictionaries as a hard outer covering, i.e. a nutshell, the shell of the tortoise seashell. On the other hand, shellhome is a coined word which means to represent a place that gives protection from the weather or safety from danger. In fact, the device of the Shellhome trademark consists of a shell device atop a pyramid roof representing a shelter to connote a place that give protection from the weather or safety from danger against unwanted pests, weed and drop diseases.

Moreover, Respondent-Applicant stated that it adopted, applied and is continuously using the SHELLHOME & DEVICE mark and all its other registered trademarks in the concept of an owner. The design, text and conceptualization of the subject mark is Respondent-Applicant's own, to the exclusion of any other party. The production and re-packing of its fertilizers, herbicide and pesticide products is undertaken by Toll Manufacturer - Agchem Manufacturing Corporation under Respondent-Applicant's supervision and control.

Finally, it is emphasized that SHELLHOME is a corporate/trade name and a trademark at the same time. A corporation's right to use its corporate and trade name is a property right, a right in rem, which it may assert and protect against the world.

The Respondent-Applicant's evidence consists of the following:

1. Affidavit of Adeliza Lydia A. Garcia, General Manager of Shellhome Chemicals, Incorporated;
2. Certificate of Incorporation of Shellhome Chemicals Incorporated;
3. By-Laws of Shellhome Chemicals Incorporated;
4. License issued by Fertilizer and Pesticide Authority; and,
5. Certificates of Product Registration issued by Fertilizer and Pesticide Authority for the registration of the following: Central 30 EC, Jetkill 250 EC, SCOUT 2.55 EC, Glitter Malathion 57 EC, EON 2, 4-D ESTER, and AEON 2, 4-D AMINE.

The Preliminary Conference was held and terminated on 03 April 2013. Thereafter, this instant case is submitted for decision.

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

As culled from the records and evidence, the Opposer has valid and existing registration for its mark "SHELL 2, 4-D ESTER" with Registration Nos. 4-2006-006921 dated 21 May 2007⁴; and 4-2004-011937 dated 15 February 2007⁵. On the other hand, Respondent-Applicant filed its application for the subject trademark "SHELLHOME & DEVICE" only on 20 July 2011.

But are the competing marks, as shown below, confusingly similar?



**SHELL 2, 4 - D
ESTER**

Opposer's Trademarks



Respondent-Applicant's Trademark

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be undertaken from the viewpoint of a prospective buyer. The trademark complained of should be compared and contrasted with the purchaser's memory (not in juxtaposition) of the trademark said to be infringed. Some such factors as "sound; appearance; form, style, shape, size or format; color; ideas connoted by marks; the meaning, spelling, and pronunciation, of words used; and the setting in which the words appear" may be considered.⁶ Thus, confusion is likely between marks only if their over-all presentation, as to sound,

⁴ Exhibit "H" of Opposer.

⁵ IP Phil Philippine Trademark Database, available at <http://www.wipo.int/branddb/ph/en/> (last accessed 03 October 2016).

⁶ Etepha A.G. vs. Director of Patents, G.R. No. L-20635, 31 March 1966.

just

appearance, or meaning, would make it possible for the consumers to believe that the goods or products, to which the marks are attached, emanate from the same source or are connected or associated with each other.

The eyes can easily see that the marks are different. The similarity between the marks manifests in the word SHELL which is contained in the aforesaid competing marks. Such resemblance, however, is not sufficient to conclude that confusion is likely to occur. The appearance of the respective devices and/or designs, particularly the Opposer's mark which consists of the words SHELL and ESTER in block capitals, geometric patterns and the design of growing leaves and picture of plants⁷ as against Respondent-Applicant's device of a shell atop a pyramid roof representing a shelter⁸; the claim of colors (red and green for the Opposer's mark; yellow and red for Respondent-Applicant)⁹; and the totality of the visual presentation of the marks makes the marks easily distinguishable from one another.

While it appears that the goods covered by the marks belong to the same classification, a consumer could easily discern that there is no connection between the two marks because of the dissimilarity of the marks as they appear. Moreover, the Trademark Registry, the contents of which this Bureau can take cognizance of via judicial notice, consist of marks that contain the device SHELL covering goods under the same classification 05, such as: SHELL (DEVICE) [Reg. No. 37525 dated 25 June 1987]; and, MAN WITH CONCH SHELL DESIGN [Reg. No. 2711 dated 11 March 2004].¹⁰ These marks are owned by entities other than the Opposer. Hence, to sustain this opposition solely on the ground that the competing marks would have the unintended effect of giving the Opposer exclusive use of the mark SHELL, despite stark differences of its visual appearance. Buyers of specialized products are highly aware of the appearance and type of goods offered to them.

Corollarily, the enunciation of the Supreme Court in the case of *Mighty Corporation vs. E. & J. Gallo Winery*¹¹ aptly states that:

"A very important circumstance though is whether there exists likelihood that an appreciable number of ordinarily prudent purchasers will be misled, or simply confused, as to the source of the goods in question. The 'purchaser' is not the 'completely unwary consumer' but is the 'ordinarily intelligent buyer' considering the type of product involved. he is 'accustomed to buy, and therefore to some extent familiar with, the goods in question. The test of fraudulent simulation is to be found in the likelihood of the deception of some persons in some measure acquainted with an established design and desirous of purchasing the commodity with which that design has been associated. The test is not found in the deception, or the possibility of deception, of the person who knows nothing about the design which has been counterfeited, and who must be indifferent between that and the other. The situation, in order to be objectionable, must be such as appears likely to mislead the ordinary intelligent buyer who has a need to supply and is familiar with the article that he seeks to purchase."

Finally, it is important to note that the word SHELL is not a coined or invented word mark by the Opposer. It is a generic word which refers to the hard outer covering of an animal, insect, etc. that protects its, the hard outer covering of an egg. or the hard outer covering of a nut, fruit or seed.¹² Therefore, it is not impossible for the Respondent-Applicant to have concocted the word SHELLHOME as part of its trademark without having the intent to copy that of Opposer's trademark.

⁷ Exhibit "H" of Opposer.

⁸ p. 4 Verified Answer.

⁹ Id. at 7 and 5.

¹⁰ IPOPHL Trademarks Database, available at <http://www.wipo.int/branddb/ph/en/> (last accessed 03 October 2016).

¹¹ G.R. No. 154342, 14 July 2004.

¹² Merriam-Webster, available at <http://www.merriam-webster.com/dictionary/shell> (last accessed 03 October 2016).

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.¹³ This Bureau finds that the Respondent-Applicant's mark meets this function.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2011-008475 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City. 05 OCT 2016



Atty. GINALYN S. BADIOLA, LL.M.
Adjudication Officer, Bureau of Legal Affairs

¹³

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