

DORIS C. CHAN,	}	IPC NO. 14-2008-00279
<i>Petitioner,</i>	}	Case Filed: 03 November 2008
	}	
	}	Cancellation of:
	}	
	}	Reg. No. : 4-2006-005257
-versus-	}	Date Registered : 25 Feb. 2008
	}	
	}	TM: "XTREME"
	}	
ZHAO LIN QING,	}	
<i>Respondent-Registrant</i>	}	
x-----x	}	Decision No. 2009-72

DECISION

This is a PETITION FOR CANCELLATION filed by Petitioner Doris C. Chan to the registration of the mark "XTREME" bearing Application Serial No. 4-2005-005257 issued on 25 February 2008 to respondent-registrant Zhao Lin Qing for goods under Classes 07 namely, "washing machine, laundry dryers, blenders (electric), machine tools, vacuum cleaners, dishwashers, grinders, compressors, carpet shampooing machine, electric beater," believing that she will be damaged by such registration.

Petitioner Doris C. Chan is a Filipino citizen, of legal age and with postal address at 509 Thomas Mapua Street, Santa Cruz, Manila. Zhao Lin Qing is a Chinese citizen with postal address at 188-192 BBB Complex, Mc Arthur, Valenzuela City.

The grounds for the petition for cancellation are as follows:



1. The registration of the mark has damaged, is damaging and will damage the Petitioner.
2. The registration of the mark violates Section 123.1 of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines (IPC).
3. Section 123.1 (d) of the IPC states that a mark cannot be registered if it is identical to a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of: (i) the same goods or services, or (ii) closely related goods or services, or (iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion.

The petitioner relies on the following facts and arguments to support her petition:

RESPONDENT-REGISTRANT'S MARK IS IDENTICAL WITH THE PETITIONER'S MARK AND IS LIKELY TO DECEIVE AND CAUSE CONFUSION

1. Petitioner believes that it will be damaged by the registration of the mark "XTREME" through loss of goodwill and reputation and loss of income.
2. Petitioner is the owner of the mark "XTREME" with Registration Number 4-2003-011492 which was filed on 15 December 2003 and registered on 25 December 2005 in the Petitioner's name with the IPO for VCD and DVD under Class 9.

3. Respondent-Registrant's mark "XTREME" is identical to Petitioner's "XTREME" mark. Comparative details of the opposing marks are herein summarized as follows:

Title	Petitioner's Mark	Respondent-Registrant's Mark
Name of the Mark	"XTREME"	"XTREME"
Representation of the Mark		
Application of the Mark	Reg. No. 4-2003-011492	Reg. No. 4-2005-000475
Filing Date	15 December 2003	17 January 2005
Registration Date	25 December 2005	25 June 2006
Class-Goods	Class 09 – DVD, VCD	Class 07 – washing machine, laundry dryers, blenders (electric), machine tools, vacuum cleaners, dishwashers, grinders, compressors, carpet shampooing machine, electric beater

4. Respondent-Registrant's mark comprises the word "XTREME" which is conceptually, visually and phonetically identical to the Petitioner's "XTREME" mark.

5. Respondent-Registrant's mark is composed of the exact letters and the exact design as that of Petitioner's "XTREME" mark.

6. Hence, the Respondent-Registrant's "XTREME" mark is identical with Petitioner's "XTREME" mark.

LIKELIHOOD OF CONFUSION INVOLVING CLOSELY RELATED GOODS.

7. Petitioner's "XTREME" registration no. 4-2003-011492 is for use for VCD and DVD which is classified under Class 09.

8. Respondent-Registrant's "XTREME" mark is intended for use for washing machine, laundry dryers, blenders (electric), machine tools, vacuum cleaners, dishwashers, grinders, compressors, carpet shampooing machine, electric beater in Class 07.

9. Petitioner and Respondent-Registrant's products are related in that both of them are used and/or classified under home electronics and appliances.

10. In addition, the nature of the goods of the Petitioner and Respondent-Registrant is so related that the circumstances regarding the marketing of their products are such that they are likely to be encountered by the same persons under circumstances that would give rise to the mistaken belief that they originate from the same source. The similarity of the trademark and the goods involved creates a commercial impression to the public that the product of Respondent-Registrant are sourced or manufactured by the Petitioner and in effect, carried the reputation and goodwill.

11. Home electronics and appliances are marketed in the same area of a department store and are located in the same section of appliance stores.

Consumers will have the impression that the products of Respondent-Registrant is related to the herein Petitioner.

PETITIONER'S USE OF "XTREME" IN THE PHILIPPINES

12. In the Philippines, the mark "XTREME" was introduced since 2003 and is actually used in the Philippines as evidenced by the Declaration of Actual Use filed with the IPO.

13. Petitioner's "XTREME" mark for VCD and DVD has gained reputation in the audio-video industry as well as home electronics due to the quality of the products and the continuous advertisement and promotions made by the petitioner.

14. Petitioner's product has gained trust and recognition that it was accepted by the SM appliance center to be marketed inside their malls after having passed the quality control of the said SM appliance store.

15. To promote its "XTREME" brand, Petitioner has set up intensive promotions and advertising in the Philippines amounting to Php3.4 million for the past 5 years.

16. The Petitioner has promoted "XTREME" in the Philippines by distributing brochures and pamphlets as well as posting newspaper advertisements since 2000.

17. Respondent-Registrant, in choosing to use the "XTREME" mark, is obviously taking a free ride on Petitioner's goodwill and reputation by giving the public impression that its products are one and the same as those of, or at least connected with or sponsored by, Petitioner. There are unlimited trademark possibilities available to Respondent-Registrant's use. It's having chosen "XTREME", which is confusingly similar with Petitioner's world-famous "XTREME" mark, is not a coincidence but serves no other purpose but to induce the false belief that Respondent-Registrant and its goods are affiliated with Petitioner.

18. As a result of Respondent-Registrant's use of "XTREME", Petitioner has suffered damages such as:

- a. Diminution of brand value and goodwill.
- b. Loss of distinctiveness of trademark "XTREME"
- c. Damage due to loss of income caused by confusion of goods and confusion of business.

PETITIONER'S PRIOR APPLICATION/REGISTRATION FOR "XTREME"

19. Petitioner's mark "XTREME" with Registration No. 4-2004-011492 has priority in filing and registration as it was filed as early as 15 December 2003 and was registered on 25 December 2005.

20. Respondent-Registrant's mark was filed 3 years later or on 17 May 2006.

21. The registration of the Respondent-Registrant's mark is therefore contrary to Section 123.1 of the IPC which states that a mark cannot be registered if it is identical to a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of: (i) the same goods or services, or (ii)

closely related goods or services, or (iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion.

22. Petitioner is serious and active in the protection of her "XTREME" marks as she has filed several applications for the mark "XTREME" with the IPO as follows:

Mark	Registration/Application No.	Class/es
XTREME	4-2006-006720	7, 14, 15, 16, 28, 35, 41, 42
XTREME and LOGO	4-2008-007356	9
XTREME	4-2004007914	9
XTREME	4-2005-009287	7, 9, 11, 21, 25

23. From the foregoing, it is clear that we have submitted that Petitioner has prior right to the "XTREME" mark; that Petitioner's "XTREME" mark is similar to Respondent-Applicant's mark "XTREME", and that Petitioner has prior use of the mark "XTREME" in the Philippines.

Opposer submitted the following evidences to support its opposition:

Annex A		Certified True Copy of Registration No. 4-2003-011492 for "XTREME"
Annex B		Certified True Copy of the Declaration of Actual Use
Annex C		Legalized Affidavit-Testimony of Petitioner Doris Chan
Annex D		Invoice No. 0340 issued to Star Appliance Center, a subsidiary of SM Appliance Center
Annex D-2		Invoice No. 0061 issued to Star Appliance Center, a subsidiary of SM Appliance Center
Annex E to E2		Pictures of stalls found in SM Appliance center5s where Petitioner's marks are used in trade
Annex F to F10		Certification from Ads Libre Inc.; Invoices from newspaper companies showing advertisement of the mark in the newspaper clippings of advertisement of the Petitioner's mark.
Annex G to G3		Brochures of Petitioner's mark
Annex H		Certified True copy of the Business name registration of distributor Winbase Enterprise
Annex I		Packaging of Petitioner's mark

A Notice to Answer was issued to and received by respondent-applicant on 09 December 2008. However, despite having received the Notice, respondent-registrant failed to file its answer. Therefore, due to respondent-registrant's failure to file an answer within the reglementary period, it is deemed to have waived his right to file the same and the case shall be decided on the basis of the petition, the affidavits of the witnesses and the documentary evidence submitted by the petitioner in accordance with Section 11 of the Regulation on Inter Partes Proceedings.

Considering that the case was mandatorily covered by the Summary Rules under Office Order No. 79, this Bureau required the parties through their counsels to submit their respective position papers but both parties fail to submit the same.

The issue to be resolved in this case is: Who between Petitioner and Respondent-Registrant has a better right to the mark "XTREME"?

The contending trademarks of the parties are reproduced below for comparison and scrutiny.



Petitioner's mark



Respondent-Registrant's mark

There is no question that the two marks are virtually identical, not only confusingly similar. Both marks consist of the word "XTREME" spelled exactly in the same way; both are written in uppercase, slanted, arial-like fonts; both are underscored by a line which is cut by one end of the letter "X"; and both have their "Xs" and "Ts" joined. Thus, both marks are confusingly similar in visual and aural terms, and they evoke the same connotative impressions upon a purchaser.

However, let it be said that in a contest involving registration of trademark, the determinative factor is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would likely cause confusion or mistake on the part of the buying public. It does not require competing trademarks must be so identical as to produce actual error or mistake. Similarity in size, form and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place. Duplication or imitation is not necessary to infringement. The competing marks need only contain the main, essential or dominant features of another; and that confusion and deception are likely (*Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, supra*; *Lim Hoa v. Director of Patents, G.R. No. L-8072, October 31, 1956*; *Co Tiong Sa v. Director of Patents, et al., G.R. No. L-5378, May 24, 1954*).

In the case at bench, the dominant feature is the word "XTREME" itself.

Because of the confusingly similar features of Petitioner and Respondent-Registrant's respective marks, an ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other product in which case, there is confusion of goods. Further ordinarily prudent purchaser might be deceive believing that one party's product originates from the other party or that there is some connection between the two parties which in fact does not exist and in such case, there is confusion of business (*Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, supra*.)

In determining the likelihood of confusion, the fact that the goods belong to the same class is not the decisive factor in the resolution of whether or not they are related goods because emphasis should be on the similarity of the products involved and not on the arbitrary classification or general description of their properties or characteristics, and that the mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on unrelated articles of a different kind (*Hickok Manufacturing v. Court of Appeals, 116 SCRA 387 (1982)*).

As pointed out by the petitioner, the nature of the respective goods of petitioner and respondent-registrant is so related that the circumstances regarding the marketing of their products are such that they are likely to be encountered by the same persons under circumstances that would give rise to the mistaken belief that they originate from the same source. The similarity of the trademark and the goods involved creates a commercial impression to the public that the products of respondent-registrant are sourced or manufactured by the petitioner and in effect, carried the reputation and goodwill. Their products are sold in appliance stores and centers, and in same area inside the appliance stores and centers. Their products are both classified as home electronics and appliances.

In the often-cited case of *Esso Standard Eastern, Inc. v. Court of Appeals, 215 SCRA 326*, the Supreme Court held that:

“Goods are related when they belong to the same class or have the same class or descriptive properties; when they possess the same physical attributes or essential characters with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in the grocery store. Thus, biscuits were held related to milk because they are both food products. Soap and perfume, lipstick and nail polish are similarly related because they are common household items nowadays. The trademark “Ang Tibay” for shoes and slippers and pants were disallowed to be used for shirts and pants because they belong to the same general class of goods. Soap and Pomade, although non-competitive, were held to be similar or to belong to the same class, since both are toilet articles.”

The essence of trademark registration is to give protection to the owners of the 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 have 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 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 (Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, November 19, 1999).

The present petitioner is also anchored on petitioner’s claim of ownership over the use of “XTREME”. The right to register trademarks, trade names and service marks is based on ownership. Only the owner of the mark may apply for registration (Bert R. Bagano v. Director of Patents, G.R. No. L-20170, August 10, 1965). In the instant case, Respondent-registrant failed to show the use of “XTREME” prior or earlier than petitioner’s date of first use in 2003.

Under Section 123.1 (d) of the IPC, a mark cannot be registered if it:

xxx

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or*
- (ii) Closely related goods or services, or*
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;*

Based on the provision given, the mark of respondent-registrant cannot be registered because it resembles the mark of petitioner, and would likely cause confusion to the buyers.

WHEREFORE, premises considered, the PETITION FOR CANCELLATION is, as it is hereby GRANTED. Consequently, Registration No. 4-2006-005257 registered on February 25, 2008 by Respondent-registrant Zhao Lin Qing for goods under Classes 07 namely, “washing machine, laundry dryers, blenders (electric), machine tools, vacuum cleaners, dishwashers, grinders, compressors, carpet shampooing machine, electric beater,” is, as it is hereby, CANCELLED.

Let the filewrapper of “XTREME” be forwarded to the Bureau of Trademarks for appropriate action in accordance with this decision.

SO ORDERED.

Makati City, June 18, 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office