



INTELLECTUAL PROPERTY
OFFICE OF THE
PHILIPPINES

ZHAO LIN QING,
Opposer,

-versus-

WILLIAM CHAN,
Respondent-Applicant.

X-----X

}	IPC No. 14-2010-00257
}	Opposition to:
}	Appln. Serial No. 4-2009-012197
}	Date Filed: 27 November 2009
}	
}	
}	TM: XTREME

NOTICE OF DECISION

ZHAO LIN QING

Opposer
Lot 3, Block 4, Phase 2, Little Tikes
Sterling Industrial Park, Iba,
Meycuayan, Bulacan

- MUST - → Received on 1-11-17
1-9-17 by Lisa Van (SA)

RAYMOND FORTUN LAW OFFICES

Counsel for Respondent- Applicant
137 CRM Avenue corner CRM Marina
BF Homes Alamanza, 1750 Las Piñas City

- MUST - → Received on 1-11-17
1-9-17 by Jeff Ladors

GREETINGS:

Please be informed that Decision No. 2016 - 514 dated 23 December 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, 06 January 2017.

MARILYN F. RETUAL
IPRS IV

Bureau of Legal Affairs

Online Tracking



TRACKING NO :

TRACK

ACCEPTANCE DETAILS

TRANSACTION DATE :2017-01-10
DC NO :0117-03
TRACKING NO :A4667329
ORIGIN :ABEST HEAD OFFICE
SHIPPER :INTELLECTUAL PROPERTY OFFICE OF THE PHIL.
DESTINATION :BALIUG BRANCH
CONSIGNEE :ZHAO LIN QING
ADDRESS :LOT 3 BLOCK 4 PHASE 2 LITTLE TIKES STERLING INDUSTRIAL PARK IBA MEYCUAYAN BULACAN
PRODUCT TYPE :EPS

1-9-17

14-2010-00257

HISTORY

DATE	ACTION
<u>2017-01-10</u>	<u>ACCEPTED BY ABEST HEAD OFFICE</u> <u>ARRIVED AT BALIUG BRANCH</u> <u>OUT FOR DELIVERY</u>
<u>2017-01-11</u>	<u>RECEIVED BY : LISAJAN (SECURITY GUARD)</u>

Online Tracking



TRACKING NO :

TRACK

ACCEPTANCE DETAILS

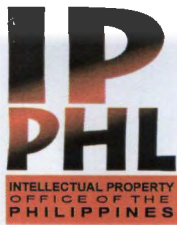
TRANSACTION DATE :2017-01-10
 DC NO :0117-04
 TRACKING NO :A4667330
 ORIGIN :ABEST HEAD OFFICE
 SHIPPER :INTELLECTUAL PROPERTY OFFICE OF THE PHIL.
 DESTINATION
 CONSIGNEE :RAYMOND FORTUN LAW OFFICES
 ADDRESS :137 CRM AVENUE CORNER CRM MARINA BF HOMES ALAMANZA LAS PINAS CITY
 PRODUCT TYPE :EPS

1-9.17

14-2010-00257-011

HISTORY

DATE	ACTION
<u>2017-01-10</u>	<u>ACCEPTED BY ABEST HEAD OFFICE</u> <u>ARRIVED AT</u> <u>OUT FOR DELIVERY</u>
<u>2017-01-11</u>	<u>RECEIVED BY : JEFF LADORS(FAMILY DRIVER)</u>



ZHAO LIN QING,
Opposer,

- versus -

WILLIAM CHAN,
Respondent-Applicant.

x ----- x

IPC No. 14-2010-00257
Opposition to:

Appln. No. 4-2009-012197
Date Filed: 27 November 2009
Trademark : "XTREME"

Decision No. 2016 - 514

DECISION

ZHAO LIN QING ("Opposer")¹, filed an opposition to Trademark Application Serial No. 4-2009-012197. The application, filed by **WILLIAM CHAN** ("Respondent-Applicant")², covers the mark "XTREME" for use on *"electric kettle, electric fan, rice cooker, oven toaster, microwave oven, electric stove, coffee maker, sandwich maker"* under class 11; *"plastic wares, plastic kitchen wares, plastic furniture and other products concerning plastic use for home and office, namely, drawers, cabinets, chairs, tables, desks, folding and reclining beds, benches, stalls, racks, shelves, hangers, clothes hampers, dish organizers, dish cabinets, kitchen drawers, dish crates, pallets and crates"* under class 20; and, *"plastic wares, plastic kitchen wares, plastic furniture and other products concerning plastic use for home and office, namely, trash boxed, planter's boxes, dish drainer, pails, cup containers, food containers, food covers, fruit baskets, trays, dipping board, wash board, trash containers"* under class 21 of the International Classification of Goods.³

The Opposer alleges that in 1998, it entered into a limited partnership known as Classic Particles Mktg. Co. which is registered with the Securities and Exchange Commission on 26 March 1998. Classic Particles distributes a large portfolio of products in the Philippines such as electric fan, electric kettle, oven toaster, blender, flat iron, stove, rice cooker, washing machine, water dispenser, and scales.

In January 2006, the Opposer invented the word XTREME as a brand for washing machines. The mark XTREME is covered by registrations and applications filed with the Intellectual Property Office which signifies the quality of the products such as durability, utility and affordability that can withstand extreme conditions of use. XTREME products expanded to include other products such as electric fan, electric kettle, oven toaster, blender, flat iron, stove, rice cooker, water dispenser, and scales.

The annual average sales of all XTREME products in the Philippines are about Php 900,000.00, with advertising cost per year of about Php 500,000.00. The use of XTREME mark has created goodwill and reputation for the mark. Opposer has established service and drop centers nationwide, with more than 25 service centers nationwide.

¹ A Chinese citizen with address at Lot 3, Block 4, Phase 2 Little Tikes, Sterling Industrial Park, Iba, Meycuayan, Bulacan, Philippines.
² With address at 4/F, 532 Tomas Mapua Street, Sta. Cruz, Manila.
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 recounts that he is the owner of prior registrations for XTREME in classes 4, 6, 7, 11, 20 and 21 which are identical to the Respondent-Applicant's mark covering classes 7, 9, 14, 15, 16, 28, 4. The use by Respondent-Applicant of a similar mark XTREME in relation to identical and related goods is likely to cause confusion among consumers and would convey a false connection of the Opposer's mark and the Respondent-Applicant's mark.

The Opposer submitted the following evidence:

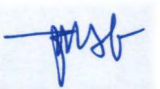
1. Verified Notice of Opposition;
2. Affidavit of Zhao Lin Qing;
3. Motion to Set Aside Decision No. 2009-72 dated 18 June 2009 and to Vacate Entry of Judgment dated 12 November 2009 filed with the Bureau of Legal Affairs;
4. Certificate of Registration No. 42006005257 for XTREME;
5. Certificate of Registration No. 42008000425 for XTREME;
6. Sales Receipt No. 10565 covering XTREME washing machine;
7. List of outlets selling XTREME products nationwide;
8. Sales reports for the years 2009-2010;
9. Guarantee Certificate issued for each XTREME product purchased;
10. List of service and drop centers for XTREME products nationwide;
11. XTREME product catalogue; and,
12. Advertisement and invoices for SMILE magazine dated May, June, July 2010.

On 11 January 2011, Respondent-Applicant filed an Answer alleging that he is the owner of the mark XTREME with Registration No. 4-2003-011492, as transferee of the certificate of registration from Doris Chan, which was filed on December 2003 and registered on 25 December 2005 with the IPO for DVD and VCD under classification 09. He had been using the mark since December 2003. These products were distributed and sold in the Philippines then by Venus Electronics, and later in 2006 by Winbase Enterprises. In fact, the Opposer who is doing business under the name of Classic Particles Marketing Ltd. Co. was one of the distributors of Respondent-Registrant's products bearing the mark "XTREME" as early as 2004. Accordingly, the Opposer acted in bad faith and copied exactly the mark which belongs to Respondent-Registrant because it was impossible for Opposer to invent the mark "XTREME" in January 2006, when the Respondent-Registrant has been using the mark as early as 2004 and thoroughly advertised and sold in well-known stores. Respondent-Applicant concluded that Opposer saw the goodwill created by the mark, copied and claimed it as his own.

Respondent-Applicant further alleges the right to register trademarks is based on ownership. As owner and prior user of the mark XTREME, he may apply for its registration for the goods sought, in pursuance of business expansion. As such, the subject mark was filed as early as 23 June 2006. His sales were able to penetrate well-known malls and commercial establishments, spent so much in the improvement of the quality and packaging of its products, and covered by a Warranty Certificate.

According to Respondent-Applicant, Opposer was his distributor of XTREME products, which only means that the former is the prior user. Obviously, being a distributor, the Opposer saw the goodwill created by the mark and thus completely copied the mark and falsely claim that he is the inventor thereof.

Finally, the Respondent-Applicant affirmatively states that Certificate of Registration Nos. 4-2005-000475 and 4-2006-005257 were already ordered cancelled by this Honorable Office in the decisions it rendered. Thus, the Opposer has no personality to file the opposition.



The Respondent-Applicant submitted the following evidence:

1. Verified Answer
2. Assignment of Certificate of Registration No. 42003011492 under William Chan;
3. Certificate of Registration under Doris Chan;
4. Verified Answer in IPC No. 14-2010-00148;
5. Petitions for Cancellation and its exhibits;
6. Decision Nos. 2009-72 and 2009-75 dated 18 June 2009.

The Preliminary Conference was conducted and terminated on 27 July 2011. Upon the filing of the Opposer and Respondent-Applicant's position papers on 04 and 17 August 2011 respectively, the case is deemed submitted for decision.

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

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 out into the market a superior 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.⁴

Records show that at the time Respondent-Applicant filed its application for the trademark "XTREME" on 27 November 2009, herein Opposer was already issued the following trademark registrations for "XTREME": Registration No. 42006005257 (filed on 17 May 2006; registered on 25 February 2008)⁵; and, Registration No. 42008000425 (filed on 14 January 2008; registered on 11 August 2008)⁶. Opposer likewise presented pending applications for "XTREME" with the following⁷ Application Nos. 42009006280⁸, 42005000475⁹ and 42009003615¹⁰. As per review of the official trademark database of this Office, it also appears that the Opposer has Registration No. 42008000425 for the same trademark "XTREME"¹¹

Obviously, the competing trademarks are identical. With respect to the goods covered by the competing marks, they cover similar and related goods because they generally refer to household products which are used in a regular basis for the purpose of maintenance, use and occupancy of the premises as a home. Indeed, these goods are found in the same channels of business and trade and/or catered to the same segment of consumers. Thus, on this basis, there is the likelihood of confusing similarity, particularly with the use of an identical mark XTREME on the same or related goods or products.

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).

⁵ Exhibit "E" of Opposer. However, it is provided that "Status: CANCELLED as per Cancellation Order No. 2010-2 dated May 4, 2010.

⁶ Annex "F" of Opposer.

⁷ pp. 3-4, Notice of Opposition.

⁸ Status: For Validation (IPPhil Trademark Database, , available at <http://www.wipo.int/branddb/ph/en/> (last accessed 20 December 2016).

⁹ Status: Cancelled (IPPhil Trademark Database, , available at <http://www.wipo.int/branddb/ph/en/> (last accessed 20 December 2016).

¹⁰ Status: Pending (IPPhil Trademark Database, , available at <http://www.wipo.int/branddb/ph/en/> (last accessed 20 December 2016).

¹¹ IPPhil Philippine Trademark Database, available at <http://www.wipo.int/branddb/ph/en/> (last accessed 20 December 2016).

Respondent-Applicant, on its part, alleged that his right over the mark XTREME is based on the concept of ownership evidenced by prior use and registration of the mark XTREME for goods under class 9¹². A review of the official trademark database of this Office however, reveals that this registration was issued to a certain Lin Wen Ju.¹³ Respondent-Applicant further averred that Registration Nos. 4-2005-000475 and 4-2006-005257 were already cancelled; and that related Decision Nos. 2009-72 and 2009-75 are final and executory. While it is true that the mentioned decisions were rendered by this Bureau on 08 June 2009 and 18 June 2009, respectively, it appears in the Case Status History IP Adjudication that a Motion to Set Aside Decision and to Vacate Entry of Judgment were filed in both cases. To date, these are still pending resolution. In fact, a hearing on the motion was held¹⁴ and successive pleadings were filed relative thereto.¹⁵ This Bureau therefore, needs to resolve the pending incidents before the finality of the said decisions.

It is provided that, "When a judgment or final order is entered, or any other proceeding is thereafter taken against a party in any court through fraud, accident, mistake or excusable negligence, he may file a petition in such court and in the same case praying that the judgment, order or proceeding be set aside."¹⁶ This rule is deemed applicable in this jurisdiction. "In the absence of any applicable rules, the Rules of Court may be applied in suppletory manner."¹⁷

In the instant case, Respondent-Applicant claimed that herein Opposer was a distributor of his products bearing the mark XTREME, which only means that the former is the prior user. However, Opposer failed to support this contention. A careful perusal of the evidence on record show that Respondent-Applicant presented Billing Statement, Sales Invoice and Collection Envelope, purporting to be Respondent-Applicant's sales of XTREME products by his distributors namely: Venus Electronic Enterprise dated 27 July 2006¹⁸; and Classic Particles Marketing Ltd. Co.¹⁹. However, the said documents do not show any relevance or relation to Respondent-Applicant's argument. As a matter of fact, the Opposer's allegation that Classic Particles Marketing Ltd. Co., a limited partnership entered by herein Opposer, as his sales distributor of XTREME product has no proof to that effect. On the other hand, the Opposer presented a Sales Invoice dated 13 February 2006 issued by Classic Particles Marketing Ltd. Co. which exhibits sales of XTREME products²⁰. Significantly, the said transaction was dated February 2006, which is prior to that of Respondent-Applicant's.

Thus, Sec. 123.1 (d) of the IP Code provides:

A mark cannot be registered if it:

x x x

(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

¹² Exhibits "2" and "3" of Respondent-Applicant.

¹³ Id. at 11.

¹⁴ 28 May 2010.

¹⁵ Comment/Opposition on 08 July 2010; and Reply to Comment/Opposition on 28 July 2010.

¹⁶ Sec. 1, Rule 39, Rules of Civil Procedure.

¹⁷ Rule 2, Section 5, Office Order No. 99, series of 2011. Applicability of the Rules of Court, as amended by IOPHL Memorandum Circular No. 16-007.

¹⁸ Annex "B" of Respondent-Applicant.

¹⁹ Annex "B-1" of Respondent-Applicant.

²⁰ Exhibit "6" of Opposer.

- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

Corollarily, the public interest requires that the 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 even fraud, should be prevented. It is emphasized that the function of 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.²¹

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

Finally, it bears emphasis that in the mentioned decisions²², herein Opposer (as Respondent-Applicant in said cases) was rendered in default for failure to file answer. Said decisions only tackled the virtual similarity and identical appearance of the marks. However, there was no discussion on ownership of the mark in question.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2009-012197 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. **23 DEC 2016**



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

²¹ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

²² Decision Nos. 2009-72 and 2009-75, as mentioned in p. 4 of this Decision.