

PETRON CORPORATION,
Opposer,

-versus-

OMNI INDUSTRIES INC.,
Respondent-Applicant.

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IPC No. 14-2014-00257
Opposition to:

Appln. Serial No. 4-2013-007595
Date Filed: 28 June 2013

TM: XTRA REV

X-----X

NOTICE OF DECISION

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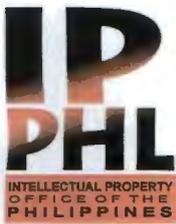
GREETINGS:

Please be informed that Decision No. 2017 - 166 dated 23 May 2017 (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, 23 May 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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 -versus- }
 OMNI INDUSTRIES, INC., }
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IPC No. 14-2014-00257
 Opposition to:
 Application No. 4-2013-007595
 Date Filed: 28 June 2013
 Trademark: "XTRA REV"
 Decision No. 2017- 166

DECISION

PETRON CORPORATION¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2013-007595. The application, filed by Omni Industries, Inc.² ("Respondent-Applicant"), covers the mark "XTRA REV" for use on "lubricants, oils, fuels, automotive lubricants, industrial lubricants additives for fuels, lubricants and greases" under Class 04 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x
 "DISCUSSION

"5.1. Opposer traces its rich history to 7 September 1933 when Socony Vacuum Oil Company of New York and the Standard Oil Company of New Jersey merged to form the Standard Vacuum Oil Company ("Stanvac").

"5.2. In 1957, Stanvac started constructing a refinery in Limay, Bataan to meet the Philippines' growing fuel needs. At the time of its inauguration in 1961, it had a refining capacity of 25,000 barrels of crude oil per day. The Petron Bataan Refinery ("PBR") still stands today, with a rated capacity of 180,000 barrels per day.

"5.3. When the partnership of Standard Oil and Socony Vacuum ended in 1962, Esso Philippines was born. In 1973, the Philippine National Oil Company ("PNOC") acquired Esso Philippines and renamed it Petrophil Corporation. In February 1988, Petrophil Corporation was renamed Petron Corporation.

"5.4. In preparation for the deregulation of the local oil industry in the 1990's, PNOC partnered with the world's largest crude oil producer, Saudi Aramco, to give Opposer a reliable crude oil supply and access to state-of-the-art refining and marketing technology. In 1994, PNOC and Saudi Aramco signed an agreement that gave Saudi

¹With address at SMC Head Office Complex, Podium B, 40 San Miguel Avenue, Mandaluyong City 1550 Metro Manila, Philippines.

²With address at 7031 Bryce Canyon Avenue, Greenwell Springs, Louisiana, United States of America.

³The 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.

Aramco 40% ownership of Opposer; and in the same year, 20% of PNOOC shares were sold.

"5.5. Privatization led to the expansion of the refining capacity of the PBR from 155,000 to 180,000 barrels per day starting in 1993. Opposer likewise commissioned several units to produce environment-friendly fuels which are compliant with the specifications of the Philippine Clear Air Act.

"5.6. In 2000, Opposer diversified into the petrochemical business by constructing units that allowed the production of raw materials such as car parts, home appliances, food packaging, and plastic containers, among others. Opposer likewise partnered with leading fast food chains and consumer-service companies to make its service stations a one-stop full service stations for motorists.

"5.7. In 2009, Opposer became part of the San Miguel Corporation group of companies, one of the largest and most diversified conglomerates in the Philippines, with major interests in food, beverages, packaging, power-generation, infrastructure, and aviation. Opposer then embarked on a retail network expansion program by pioneering the micro-filling or bulilit stations, which opened business opportunities for entrepreneurs.

"5.8. In 2011, the PBR celebrated its 50th anniversary with the launch of its Expansion Project. Upon completion of this Project, Opposer will be the only oil company with the capacity to locally produce fuels that meet the global clean air Euro IV standard, well ahead of the government mandate to adopt the quality standard by 2016. It will also make PBR one of the most modern integrated oil refining and petrochemical complexes in the Asia-Pacific region.

"5.9. In March 2012, Opposer increased its regional presence when it acquired three companies in Malaysia comprising an integrated refining, distribution, and marketing business. Petron Malaysia includes the 88,000 barrel-per-day Port Dickson Refinery, 7 storage facilities, and a retail network of over 560 service stations. By 2013, Opposer successfully completed the upgrading and rebranding, of about 300 out of the 560 stations. Also at present, Opposer exports various petroleum and non-fuel products to Asia-Pacific countries such as Japan, India, Singapore, South Korea, Thailand, Pakistan, and the United Arab Emirates.

"5.10. In 2013, on its eightieth (80th) year of existence, Opposer maintained its status as the largest oil refining and marketing company in the Philippines.

x x x

"5.11. As the prior user and rightful owner of the 'XTRA Marks' and the 'REV-X Marks' for various goods and services covering Classes 4,9, 35, 36, and 37, Opposer has caused the application and registration of these marks in the Philippines as early as 1988, which is more than twenty-five (25) years prior to the filing of Respondent-Applicant's application for the registration of the mark 'Xtra Rev':

x x x

"5.12. Currently, Opposer's products utilizing the 'XTRA Marks' include 'XTRA ADVANCE' and 'PETRON SUPER XTRA GASOLINE', which are compliant with the new Philippine National Standards for ethanol-blended gasoline. On the other hand,

products bearing the 'REV-X-Marks' include 'REV-X ALL TERRAIN', 'REV-X TREKKER', 'REV-X HAULER', 'REV-X PANTRA', and 'REV-X HD'.

"5.13. As the prior user and rightful owner of the 'XTRA Marks' and 'REV-X Marks' for various goods and services covering Classes 4, 9, 35, 36, and 37, Opposer has likewise caused the application and registration of these marks in the other countries as early as March 2006, or more than seven (7) years prior to the filing of Respondent-Applicant's application for the registration of the mark 'Xtra Rev':

x x x

"5.14. The use of the 'Xtra Marks' and 'REV-X Marks' has been extensively and exclusively associated with Opposer, as shown by the various advertising and promotional materials attached to this opposition.

"5.15. The exclusivity of Opposer's ownership over these marks is evidenced by the fact that on the automated database of this Honorable Office, Opposer is the only registered owner of the mark 'XTRA' and its variants covering goods in Class 4. The database likewise reveals that this Honorable Office granted to Opposer the exclusive right to use the word 'XTRA' as the prefix-component of marks covering Class 4 goods, with the exception of Respondent-Applicant's mark 'Xtra Rev'.

"5.16. Likewise, the automated database reveals that Opposer is the sole registered owner of various 'REV-X' marks.

"5.17. Based on the foregoing facts, it is clear that Opposer is the true, lawful and exclusive proprietor, and prior user of the 'XTRA Marks' and the 'REV-X' marks.

"5.18. Section 123.1 (d) of the IP Code provides:

x x x

"5.19. In determining whether marks are confusingly similar to each other, jurisprudence has developed two (2) kinds of tests, namely, the Dominancy Test and the Holistic Test. However, courts have resorted to the Dominancy Test which focuses on the similarity of the prevalent, essential or dominant features of the competing marks. The test of dominancy is now explicitly incorporated into law in Section 155.1 of the IP Code which defines infringement as the 'colorable imitation of a registered mark x x x or a dominant feature thereof.'

"5.20. The Dominancy Test focuses on the similarity of the prevalent, essential, or dominant features of the competing marks. If the competing mark contains the essential or dominant features of another mark and confusion and deception is likely to result, there is confusing similarity.

"5.21. Under the Dominancy Test, as long as sufficient elements or components of a mark are taken so as to deceive the consuming public into purchasing the goods, confusing similarity between the competing marks exists.

"5.22. From the list of Opposer's 'XTRA Marks' as well as Opposer's various promotional and advertising materials, it is clear that the dominant and essential feature of Opposer's 'XTRA Marks' is the fanciful and arbitrary word 'XTRA', with the stylized and prominent letter 'X'. This term is exclusively associated with Opposer in connection with its various petroleum products and services.

"5.23. A comparison of Respondent-Applicant's 'Xtra Rev' mark and Opposer's 'XTRA Marks' would show that Respondent-Applicant's mark appropriates the dominant element of Opposer's mark resulting in confusion among the buying public:

x x x

"5.24. It is clear from the foregoing that the dominant element of Opposer's 'XTRA Marks' is the fanciful and arbitrary word 'XTRA', with the stylized and prominent letter 'X'. The word 'XTRA' is printed in bold letters and is almost triple the size of the other word-components of Opposer's 'XTRA Marks'.

"5.25. The comparison above shows that the term 'Xtra' is appropriated by Respondent-Applicant's mark 'Xtra Rev', which is given emphasis by the use of the amplified letter 'X'.

"5.26. In *Societe des Produits Nestle, S.A. v. Court of Appeals*, the Supreme Court applied the dominancy test in finding that CFC Corporation's mark 'FLAVOR MASTER' is confusingly similar with Nestle's marks 'MASTER ROAST' and 'MASTER BLEND'. Based on the evidence provided, the Supreme Court affirmed the findings of the Bureau of Patents, Trademarks and Technology Transfer that the word 'MASTER' is the dominant feature of Nestle's marks as it is printed across the middle portion of the label in bold letters almost twice the size of the printed word 'ROAST'. Moreover, because of Nestle's advertisements and promotion, the public had associated the word 'MASTER' with Nestle's products.

"5.27. Respondent-Applicant, however, may take the position that its mark 'Xtra Rev' contains components not appearing in Opposer's 'XTRA Marks'.

"5.28. The addition of other elements in the Respondent-Applicant's mark is a common trick used to avoid a finding of confusing similarity as explained in *Del Monte, et al v. Court of Appeals, et al*.

x x x

"5.29. Courts are now wise to such attempts as they have, time and again ruled that likelihood of confusion is not avoided between otherwise confusingly similar marks merely by adding or deleting a house mark or matter that is descriptive or suggestive of the named goods or services. Sometimes, this rule is expressed in terms of the dominance of the common term. Therefore, if the dominant portion of both marks, which in this case is obviously the term 'XTRA', then confusion is highly likely notwithstanding peripheral differences.

"5.30. Despite any perceived peripheral differences, it cannot be denied that Respondent-Applicant's mark 'Xtra Rev' is confusingly similar to Opposer's 'XTRA Marks'.

"5.31. In fact, the likelihood of confusion is increased by Respondent-Applicant's use of the word-element 'Rev' apart from its 'X' device, which word-element is also confusingly similar to Opposer's 'REV-X Marks'.

"5.32. By and large, Respondent-Applicant's 'Xtra Rev' mark is practically identical to the Opposer's 'XTRA Marks' and 'REV-X Marks', as shown in the table below:



x x x

"5.33. Further proof of Respondent-Applicant's intent to deceive and mislead the average or ordinary purchaser is the fact that the application for the registration of its 'Xtra Rev' mark is sought to cover identical or competing goods or products as those of the Opposer's. The goods of the Respondent-Applicant and the Opposer are identical and, hence, susceptible to being sold through the same channels of trade. The identity between the parties' respective products are shown by the comparative table below:

x x x

"5.34. As the owner of the 'XTRA Marks' and 'REV-X Marks', Opposer is entitled to protection against use of confusingly similar marks used on identical and similar goods, such as the goods sought to be covered by Respondent-Applicant's mark 'Xtra Rev'.

"5.35. It is well-settled that the protection accorded to a registered trademark owner is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties. The registered trademark owner enjoys protection in product and market areas that are normal potential expansion of his business. In the instant case, the protection of Opposer's 'XTRA Marks' and 'REV-X Marks' is all the more necessary since the goods sought to be covered by Respondent-Applicant's mark 'Xtra Rev' are identical or similar to the goods covered by Opposer's 'XTRA Marks' and REV-X Marks'.

"5.36. Invariably, Respondent-Applicant's use of the mark 'Xtra Rev' on identical or competing goods falsely suggests a connection with the Opposer and would inevitably cause the buying public to confuse the Respondent-Applicant's goods as those of the Opposer's.

"5.37. Consequently, because of the confusing similarity of Respondent-Applicant's mark 'Xtra Rev' with Opposer's 'XTRA Marks' and 'REV-X Marks' as well as the fact that such marks covers identical or similar goods as that of Opposer's, it is inevitable that confusion of goods will arise, 'in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other', as identified by the oft-cited commentator Callman.

"5.38. Moreover, considering the similarity of the marks and the respective products on which they are used, it is highly likely that the purchasing public would commit a mistake or would be confused into believing that Respondent-Applicant's products originate from, are affiliated with, or are sponsored by Opposer. This is made even worse in situations involving any defects in Respondent-Applicant's products which eventually may be linked to Opposer and its business precisely because of the similarity of the mark and products, and confusion that arises therefrom. As such, the registration of Respondent-Applicant's 'XtraRev' mark should be denied.

"5.39. To allow the registration of the mark 'Xtra Rev' in the name of Respondent-Applicant is to undermine the rationale for trademark registration. The intellectual property system was established to recognize creativity and give incentives to innovations. The trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such

goods or services. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others.

"5.40. The purpose of the law protecting a trademark cannot be overemphasized. They are to point out distinctly the origin or ownership of the article to which the trademark is affixed, to secure to the owner, who has been instrumental in bringing into a market a superior article or merchandise, the fruit of his industry and skill, and to prevent fraud and imposition. Modern trade and commerce demands that deprecations on legitimate trademarks should not be countenanced. The law against such deprecations is not only for the protection of the owner of the trademark but also, and more importantly, for the protection of purchasers from confusion, mistake, or deception as to the goods they are buying.

"5.41. Considering that the Respondent-Applicant's mark 'Xtra Rev' is identical to, or nearly resembles, Opposer's registered and prior applications for the 'XTRA Marks' and 'REV-X Marks', Respondent-Applicant's Application No. 4-2013-007595 for registration of the mark 'Xtra Rev' should not be allowed to proceed to registration pursuant to Section 123.1 (d) of the IP Code and relevant jurisprudence.

The Opposer's evidence consists of a copy of Trademark Reg. No. 4-2002-008381 for the mark "X-PERT SA MAKINA. X-TRA AND KITA"; a copy of Trademark Reg. No. 4-2005-009153 for the mark "XTRA"; a copy of Trademark Reg. No. 4-2005-009475 for the mark "POWER FOR XTRA MILES"; a copy of Trademark Reg. No. 4-2009-000304 for the mark "GO FOR THE XTRA MILES"; a copy of Trademark Reg. No. 4/2013/003452 for the mark "XTRA ADVANCE"; a copy of Trademark Reg. No. 4/2013/003597 for the mark "PETRON SUPER XTRA GASOLINE"; a copy of Trademark Reg. No. 4/2013/004224 for the mark "XTRA EXCEL"; a copy of Trademark Reg. No. 4/2013/004220 for the mark "XTRA ULTRA"; a copy of Trademark Reg. No. 4/2013/004204 for the mark "XTRA EXCEED"; a copy of Trademark Reg. No. 4/2013/004222 for the mark "XTRA MILES"; a copy of Trademark Reg. No. 4/2013/004221 for the mark "XTRA PRIME"; a copy of Trademark Reg. No. 4-2004-009870 for the mark REV-X; a copy of Trademark Reg. No. 4-2004-009869 for the mark "REV-X HAULER"; a copy of Trademark Reg. No. 4-2004-009872 for the mark "REV-X HD"; a copy of Trademark Reg. No. 2011023166 for the mark "REV-X" issued in Malaysia; a copy of Trademark Reg. No. KH 23776/06 for the mark "PETRON REV-X & Device" issued in the Kingdom of Cambodia; a copy of Trademark Reg. No. 4-8409-2013 for the mark "REV-X" issued in Myanmar; and copies of promotional and advertising materials for Opposer's "XTRA Marks" and "REV-X Marks".⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 03 September 2014. Respondent-Applicant filed the Answer on 02 December 2014. Thereafter, Respondent-Applicant filed a Submission on 16 December 2014, attaching Certificates of Authentication, Notarial Certificates, signed Affidavits and Secretary's Certificate. This Bureau noticed from this Submission that the Authentication was made after the filing of the Answer. Pursuant to Rule 2,

⁴Marked as Exhibits "A" to "R".

Sections 9 and 10 of the Amended Rules and Regulations on Inter Partes Proceedings (promulgated through Office Order No. 99, s. 2011 which took effect on 17 July 2011), the Respondent-Applicant was declared in default as Respondent-Applicant's Answer was not authenticated prior to its filing.

Should the Respondent-Applicant be allowed to register the trademark XTRA REV?

The Opposer anchors its opposition on Section 123.1, paragraph (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"):

Sec. 123.Registrability. - 123.1. 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
 - (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;"

Records show that at the time the Respondent-Applicant filed its trademark application on 28 June 2013, the Opposer has existing trademark registrations and applications for "XTRA Marks" and "REV-X Marks". These registrations cover goods and services under Classes 4,9, 35, 36, and 37. This Bureau noticed that the goods indicated in the Respondent-Applicant's trademark application, which are oils, fuels, lubricants and greases are similar to the Opposer's.

The marks are shown below:

XTRA REV-X

Opposer's trademarks



Respondent-Applicant's mark

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a flourish.

As can be readily observed with a side-by-side comparison of the competing marks, Respondent-Applicant's mark XTRA REV is similar to Opposer's "XTRA Marks" and "REV-X Marks". The fact that the Respondent-Applicant's mark XTRA-REV is a composite mark with an X device is of no moment, without the fanciful representation of the letter X in Respondent-Applicant's XTRA REV, the two marks are identical. Also, the Respondent-Applicant uses or will use the mark on goods that are similar to Opposer's, particularly, oils, fuels, lubricants in Class 4. Thus, it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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 belief that there is some connection between the plaintiff and defendant which, in fact does not exist.⁵

Public interest therefore requires, that 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 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.⁶

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁷

⁵Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

⁶*Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepe v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

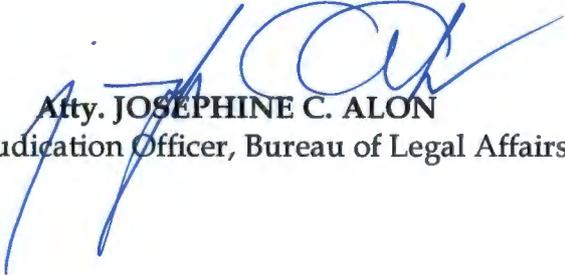
⁷*American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2013-007595 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 MAY 2017.


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