VEEDOL INTERNATIONAL LIMITED,
And UNION REFINERY CORP.,
Opposer,

- versus-

VEEDOL INTERNATIONAL, INC.,
Respondent-Applicant.
x----------x

INTER PARTES CASE NO. 3722

Opposition to trademark:

Serial No.68282
Date Filed: June 19, 1989
Trademark: "VEEOIL"

DECISION NO. 97-13

DECISION

This pertains to an opposition filed by "VEEDOL INTERNATIONAL LIMITED (VIL for short) AND UNION REFINERY CORP." (URC for short) the herein Opposer, a corporation duly organized and existing under the laws of Scotland, with offices at the Savoy Tower, 77 Renfrew Street, Glasgow, 63 ) 3BY Scotland and the Union Refinery Corporation, a corporation duly organized and existing under the laws of the Philippines, with Offices at 2453 Pedro Gil St., Sta. Ana, Manila against the application for the registration of the trademark "VEEOIL" for lubricating oil and greases with Serial No. 68282, filed on 19 June 1989 by VEEDOL International, Inc. of San Juan, Metro Manila, with offices at Suite 206, Lim Ket Kai Building, Ortigas Avenue, Greenhills, San Juan, Metro Manila which application was published in Vol. IV, No. 5 of the BPTTT Official Gazette and officially released for circulation on 31 October 1991.

The grounds for opposition is that Opposers believe that they would be damaged by the registration of the mark "VEEOIL" in the name of VEEDOL International, Inc. and that the registration of the said trademark is in violation of Section 4(d) R.A. 166 as amended.

Opposer relied on the following facts to support their opposition:

"1. VIL is presently the owner and rightful proprietor of the internationally known trademark "VEEDOL" which is used on the packaging of VIL's lubricating oils, greases and petroleum products. The trademark VEEDOL is also used on posters, advertisements and promotional goods such as T-shirts, caps, ballpens and the like.

"2. As the owner and rightful proprietor of the trademark VEEDOL, VIL and its predecessors-in-interest effected the registration of the same in at least sixty (60) countries including the United States of America, United Kingdom, Denmark, Germany and the Asean countries; Singapore, Malaysia, Thailand, Indonesia, and Brunei. In the Philippines, the trademark VEEDOL is registered under Reg. No. 48333.

"3. The trademark "Veedol" Marks have in used in the Philippines since 1960's now by VIL, its predecessors-in-interest (Associated Oil Co., Tidewater Co., and Getty Oil Co.), and their local distributors, the latest being URC. During all these years, the trademark VEEDOL has been used on VIL's oils, greases and promotional products.

On April 02, 1991, the herein Respondent-Applicant filed its Answer specifically denying all the material allegations in the opposition and interposed its Affirmative and/ or Special Defenses as follows:

"x x x

"9. The trademark allegedly owned and registered by Opposer VIL in different countries including the Philippines is "VEEDOL" and as alleged owner thereof it can seek

protection for the mark “VEEDOL”. What is being applied for by Respondent-Applicant is trademark “VEEOIL”. The trademark "VEEOIL" is not owned by Opposer's. Consequently, Opposer is not entitled to protection for its trademark “VEEOIL”.

“10. Opposer alleges that it is foreign corporation duly organized and existing under the laws of Scotland and admits that it is doing business in the Philippines through its exclusive distributing agent or licensee, namely Opposer Union Refining Corporation (URC) without obtaining any license to transact business in this country.

A foreign corporation has no legal existence within the state in which it is foreign and a state in which such a corporation seeks to do business has the power to require that it shall first become domesticated in that state before engaging in business therein.

x x x

“11. URC being a mere agent of VIL, is also without capacity to maintain this action for the reason that the distinguishing features of agent being its representative character and derivative authority, it cannot, to the advantage of VIL, claim an independent standing.

“12. The trademark “VEEOIL” is not confusingly similar to the trademark “VEEDOL” owned by Opposer as to cause confusion or mislead or to deceive purchasers thereof x x x”

The issues having been joined, this Office set this case for pre-trial conference. Failing to reach an amicable settlement, the parties went into trial, adduced testimonial and documentary evidences and, together with their respective memoranda, submitted the case for decision.

The main issue to be resolved in this particular case is whether or not there exists confusing similarity between Respondent-Applicant’s trademark “VEEOIL” and the Opposer’s mark “VEEDOL”.

The applicable provision of the Law is Section 4 (d) of R.A. No. 166 amended which provided as follows:

SEC.4. Registration of trademarks, trade names and service mark on the principal register. – There is hereby established a register of trademarks, trade names and service marks which shall be known as the principal register. The owner of a trademarks, trade name or service marks used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register unless it:

x x x

(d) Consists of or comprise a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive consumers”.

In the case at bar, Opposer's VEEDOL and Respondent-Applicant's “VEEOIL” are almost identically spelled out. When both marks uttered, they produce almost identical sound. The Respondent-Applicant's use of the letter “I” and its omission of the letter “d”, does not make “VEEOIL” any less confusingly similar in its general appearance and sound to the word mark VEEDOL. In fact, the similarities clearly constitute a clear case of infringement of the VEEDOL mark. The confusing similarity is further compounded by the fact that both are being used on similar products.

The rule is well settled that to constitute an infringement of a registered trademark, not abandoned, and to warrant a denial of an application for registration of a new mark, the new mark need not be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law that the similarity between the two marks is such that there is a mere possibility or likelihood of confusion or mistake in the mind of the public or of deceiving purchasers (Co Tiong Sa vs. Director of Patents, 95 Phil, 1).

Also, for the purpose of determining whether two trademarks are confusingly similar, the Supreme Court has been relying on the "Dominancy Test" which has been defined as "the assessment of the essential or dominant features in the competing labels to determine whether they are confusingly similar" (American Wire and Cable Co. vs. Director of Patents, 31 SCRA 544, 547). Under this "Dominancy Test", the courts shall look into the form, marks, contents, words, or other special arrangement or general appearance of the competing marks and determine whether the later mark would likely mislead persons in the ordinary course, 01 purchasing the genuine article. (Forbes Munn and Co. vs. Ang San To, 40 Phil. 272).

Therefore, applying the "Dominancy Test", it is unquestionable that the word mark "VEEOIL" resembles the word mark VEEDOL.

Likewise, from the evidence presented, it appears that Opposer and/or its predecessors-in-interest is the first user and registered owner of the VEEDOL Mark, having registered the same in the United Kingdom as early as 22 July 1914 and in United States of America, in 28 July 1914, and in many other countries, including the Philippines. Mr. Mendoza of the Respondent-Applicant himself admitted that the trademark VEEDOL has been used in the Philippines prior to their application of the trademark "Veeoil". (Testimony of Mr. Mendoza, TSN 16.October 1992).

Therefore, being the first user of the word mark VEEDOL, Opposer is entitled to assert its exclusive right to such mark.

Furthermore, the intention to abandon the use of the trademark "VEEDOL" cannot be inferred from the exclusive owners thereof to work an abandonment, the disuse must be permanent and not ephemeral, it must be intentional and voluntary, not involuntary or even compulsory. Consequently, even temporary non-use occasioned, by government restrictions on importation of a trademark owner's goods is not permanent, intentional and voluntary and therefore, does not constitute abandonment (Romero vs. Maiden Form Brassiere Co., Inc. L-182289, 31 March 1964, 10 SCRA 556).

In the present case, after Shell had stopped marketing and distributing VEEDOL Products in 1985, negotiations and search for a new Philippine distributor continued on the part of the Burma through Castro/ (TESTIMONY OF Mr. Guillermo C. Herrera, Exhibit "S") which culminated in the execution of a marketing and distribution agreement with URC in 1988. In 1989, URC and Opposer VIL entered into an exclusive license agreement for the former to manufacture and distribute VEEDOL Products (Exhibits "C-1", "C-30"). This agreement was for a period of five (5) years or from 10 May 1989 up to 9 May 1994 which proves that VIL has no intention to pull out its operations from, or discontinue selling VEEDOL Products in, the Philippines. (See Exhibits "T" "T-1" to "T-4").

As first user and registered owner of the VEEDOL trademarks, Opposer and/or its predecessors-in-interest is recognized by trademark law as having the propriety right to the exclusive use and appropriation of the VEEDOL Mark in accordance with Secs. 2-A and 4 thereof.

Finally, the similarity between the subject marks "VEEOIL" and "VEEDOL" would undoubtedly and falsely tend to suggest a connection between Respondent-Applicant and Opposers, and, therefore, would constitute a fraud on the general public and, would further cause the dilution of the distinctiveness of the registered VEEDOL mark to the prejudice and damage of Opposer.

As to Opposer's personality to file the instant Opposition, Sec. 8 of R.A. No. 166 specifically states, thus:

> "Section 8. *Opposition* – Any person who believes that he would be damaged by the registration of a mark or tradename, may, upon payment of the required fee within thirty days after the publication under the first paragraph of section seven hereof, file with the Director an opposition to the application. Such opposition shall be in writing and verified by the oppositor, or by any person on his behalf who knows the facts, and shall specify the grounds on which it is based and include a statement of the facts relied upon" x x x (underscoring provided)

From the aforequoted provision, it is quite clear that for as long as a person whether natural or juridical, believes that he would be damaged by the registration of a mark, irrespective of whether it is licensed to do business in the Philippines, may file a notice of opposition. Moreover, the Trademark law is the special law applicable in this case, hence the same should prevail over the Corporation Law which is a general law.

In fact, Sec. 21-A of the same Trademark Law explicitly provides that:

> "Section 21-A. - Any foreign corporation or juristic person to which a mark or tradename has been registered or assigned under this Act may bring an action hereinunder for infringement, for unfair competition, or false designation of origin and false description, whether or not it has been licensed to do business in the Philippines under Act numbered Fourteen hundred and fifty nine, as amended, otherwise known as the Corporation Law, at the time it brings complaint: Provided, That the country of which the said foreign corporation or juristic person is a citizen, or in which it is domiciled, by treaty, convention or law, grants a similar privilege to corporate or juristic persons of the Philippines." (underscoring provided)

The above provisions having been considered, this Office is convinced and so holds that Opposers indeed have the personality to file the instant Notice of opposition.

WHEREFORE, in view of all the foregoing, the instant Notice of Opposition is as it is hereby SUSTAINED. Accordingly, Application Serial No. 68282 of the trademark "VEEOIL" filed on June 09, 1989 by Veedol International Inc., is hereby, REJECTED.

Let the filewrapper of this case be forwarded to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision with a copy of this Decision to be furnished the Trademark Examining Division for information and to update its record.

SO ORDERED.

Makati City, November 24, 1997.

EMMA C. FRANCISCO
Director