



GROTTO S.p.A.,  
Petitioner,

-versus-

WILHELMINA SANTOS,  
Respondent-Registrant.

X-----X

}  
} IPC No. 14-2012-00290  
} Petition for Cancellation:  
} Reg. No. 4-2005-006168  
} Date Registered: 18 June 2007  
} TM: "GAZ" (With 2 Wave Like  
} Devices Parallel to Each Other)

**NOTICE OF DECISION**

**ORTEGA, BACORRO, ODULIO, CALMA & CARBONELL**

Counsel for the Petitioner  
ALPAP I Bldg., 5<sup>th</sup> & 6<sup>th</sup> Floors  
140 L.P. Leviste St., Salcedo Village  
1227 Makati City

**WILHELMINA SANTOS**

Respondent-Registrant  
1417 Mayhaligue Street  
Sta. Cruz, Metro Manila

**GREETINGS:**

Please be informed that Decision No. 2013 - 224 dated November 15, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, November 15, 2013.

For the Director:

  
Atty. EDWIN DANILO A. DATING  
Director III  
Bureau of Legal Affairs



<b>GROTTO S.p.A.,</b>	}	<b>IPC No. 14-2012-00290</b>
Petitioner,	}	Petition for Cancellation:
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-versus-	}	Registration No. 4-2005-006168
	}	Date Registered: 18 June 2007
<b>WILHELMINA SANTOS</b>	}	Trademark: <b>"GAZ"</b> (With 2 Wave Like
Respondent-Registrant.	}	Devices Parallel to Each Other)
x ----- x	x	Decision No. 2013 - <u>224</u>

**DECISION**

GROTTO S.p.A. ("Petitioner")<sup>1</sup>, filed on 22 June 2012 a petition for cancellation of Trademark Registration No. 4-2005-006168. The registration, issued to WILHELMINA SANTOS ("Respondent-Registrant")<sup>2</sup>, covers the mark "GAZ (The word GAZ in Bold Letters Accompanied By 2 Wave Like Devices Parallel to Each Other)"<sup>3</sup> for use on goods under class 25<sup>3</sup> for RTW pants, jeans and shirts.<sup>4</sup>

The facts are provided as follows:

"1. Respondent's mark GAZ (The Word GAZ in Bold Letters accompanied by 2 wave-like devices parallel to each other) should not have been registered in the first place, because the mark nearly resembles an earlier registered mark for the same goods as to be likely to deceive or cause confusion. Sec. 123.1 (d) of the IP Code states, to wit:

x x x

"1.1 Petitioner is the owner of the marks GAS and BLUE JEANS GAS (Device Mark) with Philippine TM Registration Nos. 65316 and 4-1998-002962 issued on November 10, 1997 and July 30, 2005, respectively, which are still valid and existing.

"1.2 The good covered by the registered mark GAS are 'jackets, t-shirts', while the goods covered by the registered mark BLUE JEANS GAS (Device Mark) are 'trousers, jackets, jeans, shirts and blouses, skirts, waistcoats, jerseys, sweaters, coats, topcoats, blousons, overcoats, raincoats, anoraks, stockings, socks, footwear, boots, slippers'.

"1.3 On the other hand, Respondent's mark GAZ (The Word GAZ in Bold Letters accompanied by 2 wave-like devices parallel to each other) was only registered on June 18, 2007 also for the same goods in class 25, namely: 'RTW pants, jeans and shirts'.

<sup>1</sup> With business address at Chiuppano (Vicenzo), Via Ponte del Granatieri 4, Italy.

<sup>2</sup> With address at Las Buenas Building, Industrial Road, Potrero, Malabon City.

<sup>3</sup> 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.

<sup>4</sup> Trademark Registration Certificate No. 4-2005-006168 was issued on 18 June 2007.

"1.4 A comparison of Petitioner's mark BLUE JEANS GAS (Device Mark) and Respondent's mark GAZ (The Word GAZ in Bold Letters accompanied by 2 wave-like devices parallel to each other) will show that Respondent's later registered mark nearly resembles Petitioner's earlier registered mark x x x.

"1.5 Based on the comparison of Petitioner's mark and Respondent's mark, one cannot help but wonder why out of the many available words and symbols that Respondent may choose from, it chose to adopt and register the mark GAZ and the 2 wave like devices, which nearly resembles the Petitioner's marks GAS and BLUE JEANS GAS (Device Mark), if it were not for the purpose of taking advantage of the goodwill of Petitioner's marks.

x x x

"1.5.3 For Respondent to have been the owner of the mark GAZ and the 2 wave-like devices, it must not have been already appropriated by someone else. At the time of Respondent's initial application of the mark in 2005, the mark was already used by Petitioner, internationally in the 1980s, and in the Philippines since 2001. Respondent cannot deny its prior knowledge of Petitioner's marks, since it is demonstrated by its adoption of the mark GAZ and 2 wave-like devices, which nearly resemble Petitioner's mark BLUE JEANS GAS (Device Mark).

"1.5.4 In fact, in the GAS outlets in the Philippines and in other trademark registrations of Petitioner, Petitioner's mark is also shown with the word GAS positioned on the right side of the v-shaped or wave like device.

x x x

"3. Finally, the marks GAS and BLUE JEANS GAS (Device Mark) are well-known marks entitled to protection as shown by the facts hereunder. Hence, the registration of the mark GAZ (The word GAZ in bold letters accompanied by 2 wave-like devices parallel to each other) should be cancelled, as it contravenes Section 123.1 (e) of the IP Code.

The Petitioner's evidence consists of the following:

1. Exhibit "A" - Affidavit of Giuseppe Grotto, member of the Board of Directors of Grotto S.p.A.;
2. Exhibit "A-1" - Downloaded document of GAS Co. Presentation;
3. Exhibit "A-2" - Certificate of Registration No. 65316 issued on 10 November 1997 for the trademark GAS;
4. Exhibit "A-3" - Certificate of Registration No. 4-1998-002962 issued on 30 July 2005 for the trademark BLUE JEANS GAS (A device mark consists of a V-shaped dissymmetrical, dark print with the fancy writing "Blue Jeans" at one side, and "Gas" at the other, in small light characters);
5. Exhibit "A-4" - Photographs of GAS outlets in the Philippines;
6. Exhibit "A-5" - Downloaded copy of GAS and BLUE JEANS GAS (A Device Mark) registrations in various countries;
7. Exhibit "A-5a" - Certificate of registration of trademark "GAS" in the Commonwealth of Australia;
8. Exhibit "A-5b" - Certificate of registration of trademark "BLUE JEANS GAS" in the Commonwealth of Australia";

9. Exhibit "A-5c" - Trademark Registry for "GAS" in India;
10. Exhibit "A-5d" - Notification of Registration for "GAS" in Malta;
11. Exhibit "A-5e" - Certificate of Trademark Registration for "GAS" in New Zealand;
12. Exhibit "A-5f" - Certificate of Registration for "BLUE JEANS GAS" in Alicante;
13. Exhibit "A-5g" - Certificate of Registration for "GAS" in Alicante;
14. Exhibit "A-5gg"- Certificat D' Enregistrement (No English translation);
15. Exhibit "A-6" - Photocopies of other trademark registration certificates;
16. Exhibit "A-7" - Photocopies of articles or posters for the products bearing the marks GAS and BLUE JEANS GAS (A Device Mark) sold in the Philippines and internationally;
17. Exhibit "A-8" - Downloaded photographs of promotion of the marks "GAS" and "BLUE JEANS GAS (A Device Mark);
18. Exhibit "A-9" - Photocopies of invoices (No English translation); and,
19. Exhibit "A-10"- Amount in Figures (No English translation).

This Bureau issued and served upon the Respondent-Registrant a Notice to Answer on 21 February 2013. However, no answer was filed. Thus, the Respondent-Registrant was declared in default and the case deemed submitted for decision.

Should Respondent-Registrant's trademark GAZ be cancelled?

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 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.<sup>5</sup>

Section 151.1 of the IP Code provides:

x x x A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

x x x

(b) At any time, if the registered mark becomes generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. x x x

The Petitioner's cancellation is anchored on the ground that the trademark registration of Respondent-Registrant was obtained fraudulently and/or contrary to the provision of Sec. 123.1 (d) of the IP Code, which provides:

<sup>5</sup> 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).

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;

The following marks are hereby reproduced for comparison:



Petitioner's Trademark



Respondent-Applicant's Trademark

The contending marks appear similar in many features. The word marks GAS and GAZ only differ in their last letters "S" and "Z", respectively, which when pronounced do not produce a sound that distinctly differs one from another. The rule of idem sonans provides that confusion is likely to arise between words which when pronounced sounds alike.<sup>6</sup> As to its appearance, the font of both marks appears non-distinctive or similar; and the device of the Petitioner which is the V shaped device and Respondent-Registrant's 2 wave-like devices appear to be variation of one another.

Moreover, the contending marks are used in goods which flow on the same channels of trade belonging to the same classification or Class 5 or clothing apparels. Thus, it is likely that the consumers will have the impression that these goods or products 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:<sup>7</sup>

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily 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. Hence, 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.

<sup>6</sup> Sapolin Co. v. Balmaceda, 67 Phil. 795.

<sup>7</sup> Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.

The public interest, therefore, 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.<sup>8</sup>

Records show that at the time Respondent-Registrant filed its application for the trademark "GAZ" on July 4, 2005, herein Petitioner already has existing registration for the trademark "GAS" issued on 10 November 1997. Thus, Respondent-Registrant's mark should not have been registered because it nearly resembles Petitioner's mark as to be likely to deceive or cause confusion.<sup>9</sup>

The mark BLUE JEANS GAS STAR is unique and highly distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Registrant to have come up with the same mark practically for similar goods by pure coincidence. 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 combination of letters and designs available, the Respondent-Registrant 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.<sup>10</sup>

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 Petition to Trademark Registration No. 4-2005-006168 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, 15 November 2013.

  
Atty. **NATHANIEL S. AREVALO**  
*Director IV, Bureau of Legal Affairs*

<sup>8</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

<sup>9</sup> Sec. 123.1 (d), IP Code.

<sup>10</sup> American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 February 1970.