



TOTAL SA,
Petitioner,

-versus-

BRYAN DISTRIBUTORS & SERVICES, INC.,
Respondent – Registrant.

X-----X

}
} IPC No. 14-2009-00201
} Petition for Cancellation of:
} Reg. No. 4-2007-007249
} Date Issued: 06 September 2008
} TM: "PRO TEC"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 17 dated January 24, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, January 24, 2014.

For the Director:


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



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Petitioner,	}	Petition for Cancellation of:
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-versus-	}	Date Issued: 06 September 2008
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BRYAN DISTRIBUTORS & SERVICES, INC.,	}	TM: PRO TEC
Respondent-Registrant.	}	
x-----x		Decision No. 2014- <u>17</u>

DECISION

TOTAL SA ¹ ("Petitioner") filed a Petition for Cancellation of Trademark Registration No. 4-2007-007249. The registration issued to BRYAN DISTRIBUTORS & SERVICES, INC.² ("Respondent-Registrant"), covers the mark "PRO TEC" for use on lubricants, namely, oils & greases" under Class 04 of the International Classification of Goods. ³

The Petitioner alleges the following:

"1. Petitioner is the prior registered owner and first user of the **Pro Tec Mark** in the Philippines under Certificate of Registration No. 4-2000-001368 for "marketing of petroleum products" issued by the Intellectual Property Office ("IPO") on September 28, 2003.

"2. Respondent's **PRO TEC** mark so resembles Petitioner's **Pro Tec Mark** as to be likely, when applied to or used in connection with the goods/services of Respondent, to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that Respondent's goods/services either come from the Petitioner or are sponsored or licensed by it.

"3. The registration and use by the Respondent of its **PRO TEC** mark will diminish the distinctiveness and dilute the goodwill of Petitioner's **Pro Tec Mark**, which is an arbitrary mark when used in connection with Petitioner's goods /services.

"4. Respondent adopted the **PRO TEC** mark on its own goods/services with the obvious intention of misleading the public into believing that its goods/services bearing the mark originate from, or are licensed or sponsored by the Petitioner, which has been identified in the trade and by the consumers as a source of goods/services bearing the confusingly similar mark **Pro Tec Mark**.

"5. Petitioner is the first user of the **Pro Tec Mark** in Philippine commerce and elsewhere, having utilized the same extensively for almost (9) years in the Philippines. Petitioner's **Pro Tec Mark** has come to be associated with several goods including petroleum and related products as well as services including the marketing of petroleum and related products. Respondent's use of a confusingly similar mark as the mark for its own goods/services is likely to cause consumer confusion as to the origin of said goods.

"6. Respondent's appropriation and use of the **PRO TEC** mark infringes upon Petitioner's exclusive right to use the **Pro Tec Mark**, which is protected under Section 147 of the Intellectual Property Code ("**IP Code**"). Moreover, the continued registration of the trademark **PRO TEC** in the name of Respondent will violate Section 123.1 (d) of the IP Code.

¹ A foreign corporation duly organized under the laws of France, with principal office at 2 Place Jean Millier, La Defense 6, 92400 Courbevoie, France.

² A domestic corporation with principal business at 72 Banahaw Street, Cubao, Quezon City.

³The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

"7. The registration of the **PRO TEC** mark in the name of Respondent is therefore contrary to the provisions of the Intellectual Property Code.

"To support this Petition, Petitioner will prove and rely upon, among other facts, the following facts:

"1. Petitioner adopted and has been using the **Pro Tec Mark** for its goods and services since May 3, 2000, long before Respondent's unauthorized usage of the confusingly similar **PRO TEC** mark. Petitioner has been commercially using the **Pro Tec Mark** in the Philippines for almost 8 years before the filing of the application for the registration of the **PRO TEC** by Respondent on July 11, 2007.

"2. Petitioner is the first user and rightful owner of the **Pro Tec Mark** in the Philippines. Petitioner is the prior and lawful registrant of the **Pro Tec Mark** in the Philippines under Certificate of Registration No. 4-2000-001368 for "marketing of petroleum products" issued by the IPO on September 28, 2003, long before Respondent filed its Application No. 4-2007-007249 on July 11, 2007.

"3. Petitioner's **Pro Tec Mark** is an arbitrary mark and is entitled to broad legal protection against unauthorized users like Respondent who has appropriated the deceptively similar **PRO TEC** mark for its own goods/services.

"4. Petitioner is the first user of the **Pro Tec Mark** for the above-mentioned goods/services. Respondent has appropriated the **PRO TEC** mark for the obvious purpose of capitalizing upon the reknown of petitioner's self-promoting mark by misleading the public into believing that its goods/services originate from, or are licensed or sponsored by Petitioner.

"5. The registration and use of a confusingly similar mark by the Respondent will tend to deceive and/or confuse purchasers into believing that Respondent's goods/services emanate from or are under the sponsorship of Petitioner and damage Petitioner's interests for the following reasons:

"i) The marks are confusingly or deceptively similar, if not identical.

"ii) Respondent's unauthorized appropriation and use of the **PRO TEC** mark will dilute Petitioner's reputation and goodwill among consumers.

"iii) Respondent used the **PRO TEC** mark on its own goods/services as a self-promoting mark to gain public acceptability for its goods/services through its association with Petitioner's **Pro Tec Mark**.

"iv) The goods/services on which the marks are used are related, similar to, and competing with each other, and are advertised to consumers through the same channels of trade. Indeed, the fact that one of the conflicting marks is used and/or registered for sales services and the other for goods does not per se prevent a likelihood of confusion. Where the services consist of retail sales services, there is likelihood of confusion when – as in the present case – the other mark is used on goods which may be sold through such a retail outlet. In other words, confusion would still likely occur from the use of similar or the same marks for goods and products on the one hand, and for services involving those goods and products on the others.

"v) Respondent intend to trade, and is trading on, Petitioner's goodwill.

"6. The registration and use of confusingly similar mark by Respondent will diminish the distinctiveness and dilute the goodwill of Petitioner's **Pro Tec Mark**."

Petitioner's evidence consists of the following:

1. Affidavit of Stepanie Polselli;
2. Exhibit "A" - commercial invoices showing sales of goods/services bearing the **Pro Tec Mark** in the Philippines;
3. Exhibits "B" - listing of Total outlets in the Philippines;
4. Exhibit "C" - Petitioner's latest Annual Report;
5. Exhibit "D" - sample brochures and clippings of advertisements from magazines;
6. Exhibit "E" - certified copy of Certificate of Registration No. 4-2000-0001368; and

7. Exhibit "F" - Declaration of Actual Use of the Pro Tec Mark (with attached evidence of use and promotional materials);

This Bureau issued on 26 August 2009 a Notice to Answer and personally served a copy thereof to the Respondent-Registrant's representative, Ms. Diana P. Ingua, on 24 September 2009. On 22 December 2009, Respondent-Registrant filed its Answer alleging the following:

"1. The present Petition is a belated, actually an afterthought of a remedy being resorted to by the Petitioner after it has lost its right, because of inexcusable delay tantamount to negligence or indifference, to file an opposition to the application of Respondent for the registration of the trademark PROTEC (for LUBRICANTS, NAMELY, OILS AND GREASES) as viewed from the following chain of events:

"a. Acting on a Motion for Additional Time to file Verified Notice of Opposition, filed by Petitioner's Counsel on February 11, 2008, this Honorable Office rendered an Order (Order No. 2008-381) giving Petitioner, then Opposer, thirty (30) days or until March 11, 2008 within which to file its Verified Notice of Opposition;

"b. Failing to file its Verified Opposition within the requested period, Petitioner again filed on March 11, 2008 a Motion for Additional Time up to April 10, 2008. The motion was granted under Order No. 2008-463 dated March 26, 2008.

"c. Failing again to file within the period granted, Petitioner filed a third Motion for Additional Time on April 10, 2008 requesting for additional period up to May 10, 2008. The Motion was granted as final extension under Order No. 2008-523 dated April 16, 2008.

"d. Petitioner still failed to file its Verified Opposition, and acting on this failure of the Petitioner, the IPO-BLA rendered on 18 July 2008 Order No. 2008-125 (D), dismissing MOTU PROPRIO the Opposer's (Petitioner's) Notice of Opposition, in effect the PETITIONER abandoned its opposition. Xxx Thus, Respondent's application for the registration of the mark "PROTEC" for goods under "Class 04" is GIVEN DUE COURSE.

"2. PETITIONER having thus lost its right to oppose in accordance with Sec.134 of Republic Act 8293 (The Intellectual Property Code), the grant of the Trademark Registration Certificate in favor of the Respondent vests the registrant the right to the exclusive use of the trademark.

"3. The present Petition should not be entertained now as it is clear that the grounds relied upon for the cancellation prayed for under Section 151 of the Intellectual Property Code are the only very issues that could have been raised in its abandoned and aborted opposition. To allow the PETITIONER to still question the validity of the registration after it had been ruled to have lost its right to oppose, by reason of its own negligence or indifference, is to encourage and abet multiplicity of suits. This is not countenanced in our system as it will render unstable decisions rendered by tribunal with jurisdiction and authority be it judicial or administrative in character.

xxx

"4. But even if the Petitioner could be accorded some measure of liberality still no valid ground could be entertained to cancel the Certificate of Registration of Respondent's PROTEC trademark xxx.

"5. A cursory examination of the respective Certificates of Registration in favor of the PETITIONER and that in favor of Respondent, will readily reveal major and significant differences, to wit:

	PETITIONER'S	RESPONDENT'S
WORD MARK	Pro Tec (italicized)	PRO TEC
GOODS/SERVICES	Marketing Petroleum products	Lubricants, namely, oil & greases
CLASS	35	04
CLAIM COLOR	GREEN	NONE

"5.01. The lettering of the word marks as well as the claimed colors makes the visual effects on the trademarks easily distinguishable and will not likely confuse the naked eye. **Pro Tec**, Petitioner's trademark, is italicized with only two (2) letters, P and T in capital setting and the whole term is laid out in one continuous spelling – **PROTEC**, Respondent's trademark, is not italicized, all in capital letters which is spelled in two (2) separated terms. The color scheme, green for Petitioner's and none for Respondent further emphasizes the difference such that there cannot be said to be any colorable imitation involved. Thus, whether the DOMINANCY TEST, which focuses on the similarity of the prevalent features, or the HOLISTIC TEST, which focuses not only in the predominant words but also other features appearing on the labels is made the yardstick, there is no similarity or likelihood of confusion.

"5.02. Classified as Class 35, the trademark of Petitioner is one of the services but not for goods, namely, marketing of petroleum products. For Respondents, the trademark is for goods and services for LUBRICANTS, NAMELY, OILS AND GREASES categorized under Class 04. In other words, they are non-competing products.

"5.03. So, as long as the PETITIONER will continue itself to the use of the trademark **Pro Tec** to marketing of petroleum products, and RESPONDENT will limit its use to its trademark **PROTEC** on its goods which are lubricants, namely, oils and greases, there will be no confusion both under the parameters set in the Paris Convention and the Trademark Law because the signs, goods and services involved are not identical or similar.

"6. PETITIONER uses its service mark **Pro Tec** for the marketing of its premium gasoline, straight from the gasoline pump in its various stations, and the sign that it uses in so doing, xxx even exhibits a wide departure both in the lettering and color schemes from what it applied for and approved. Said service mark label is fixed not on any container but on the gasoline pump. Other than for its premium gasoline, PETITIONER does not use its service mark **Pro Tec** in any other petroleum products. RESPONDENT, on the other hand, sells its product not in any gasoline stations but in dealerships, in containers with the trademark on the label of the containers. It is then be clearly apparent that when PETITIONER applied for registration of its **Pro Tec** service mark it intended to be covered by an omnibus registration, but the present situation, that of using it only for selling its premium gasoline betrays its intention to register a service mark on any and all services that its mind may conceive.xxx

"7. Given the facts that: (a) the two trademarks are distinct from one another and easily distinguishable from the naked eye; (b) issued for different kinds of products and services; (c) the goods for which the trademarks have been issued are being sold; (d) the selling of the products in different outlets and in distinct packaging, there will be no mistake or confusion, nay deception of the ordinary purchaser of goods. Ordinary purchaser has been defined by jurisprudence as one who is not completely unwary customer but to the "ordinary intelligent customers" considering the type of product involved.

The purchasers of the PETITIONER'S and RESPONDENT'S products are certainly the "ordinary intelligent customers" whose exercise of the degree of care in the purchase of goods cannot cause them to be mistaken, confused or deceived.

"8. The PETITIONER gratuitously claim that Respondent has the obvious intention of misleading the public into believing that its goods and services bearing the mark originating from or licensed by the Petitioner. This is not true. As discussed earlier, the Petitioner uses its service mark **Pro Tec** in selling its premium gasoline, not diesel, not any other grade of gasoline. The premium gasoline is sold to customers directly from the pump. Respondent's engine oil, not gasoline is sold in stores of dealership in packed

containers where it is even shown, among others, its tie-up with the service mark PLATINUM. A purchaser who is out in the market for the purpose of buying **Pro Tec** gasoline in the gas station will definitely be not mistaken or misled into buying PROTEC lubricants in the dealer shelves.”

Respondent-Registrant’s evidence consists of the following:

1. Exhibit “1” – copy of Order No. 2008-381 issued by the BLA;
2. Exhibit “2” – copy of Order No. 2008-463 issued by the BLA;
3. Exhibit “3” – copy of Order No. 2008-523 issued by the BLA;
4. Exhibit “4” – copy of Order No. 2008-125 (D) issued by the BLA;
5. Exhibit “5” – copy of the Certificate of Registration No. 4-2000-001368 for the mark **Pro Tec** issued to Total SA;
6. Exhibit “6” – copy of the Certificate of Registration No. 4-2007-007249 for the mark **PROTEC** issued to Respondent;
7. Exhibit “7” – photographs of gasoline pump where Petitioner’s **Pro Tec** mark is shown/displayed;
8. Exhibit “8” – sample container labels of an engine oil where Respondent’s mark **PROTEC** appears; and
9. Exhibit “9” – List of **PROTEC** distributors.

On 02 September 2010 the Preliminary Conference was terminated. Thereafter, Order No. 2011-536 was issued requiring the parties to submit their respective position papers. The Petitioner filed its Position Paper on 20 October 2011 while the Respondent-Registrant did so on 05 December 2011.

Should Trademark Registration No. 4-2007-007249 for the mark **PROTEC** be cancelled?

Petitioner’s **ProTec** mark for use on “marketing of petroleum products” under Class 35 was registered on 28 September 2003 while Respondent’s trademark **PROTEC** for use on “lubricants, namely, oils and greases” under Class 04 was registered on 06 September 2008. Between Petitioner and Respondent, it is the former who first registered and used the mark here in the Philippines.

The marks of the parties are herein shown:



Petitioner’s mark

PRO TEC

Respondent-Registrant’s mark

Without a doubt, the Respondent’s **PRO TEC** mark is similar to Petitioner’s **ProTec** mark because their spelling and pronunciation are exactly the same. While differences between the marks can be observed, such as, Petitioner’s mark is written using a stylized and green lettering with the letter “P” and “T” in capital letters while Respondent’s mark is written in plain capital letters, these differences pales into insignificance because of the identical word “protec” used as their marks. As such, their similarity will likely cause confusion, mistake or deception on the part of the public that **ProTec** and **PRO TEC** are one and the same.

Respondent-Registrant's argument that "a purchaser who is out in the market for the purpose of buying Pro Tec gasoline in the gas station will definitely be not mistaken or misled into buying PROTEC lubricants in the dealer shelves" is without merit. Respondent-Registrant's goods bearing the mark PRO TEC is related to the goods and/or services of the Petitioner. A closer look at Respondent's product show the mark PRO TEC is used on engine oils which are related to gasoline since both products are for use on motor vehicles.⁴ As such, since similar marks are used on related goods, the public would likely be confused, mistaken or deceived that Respondent's goods come, originated or sponsored by the Opposer.

Considering that Respondent's mark is confusingly similar to and used on related goods with that of Petitioner's, Petitioner is a proper party to institute this cancellation proceeding. Section 151 of the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 151. Cancellation. -151.1 A petition to cancel a registration of 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 or in connection with which the mark is used.* xxx

Section 138 of the IP Code provides, to wit:

Sec. 138. Certificates of Registration - A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.

In *Berris v. Norvy Abdayang*⁵, the Supreme Court held:

The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes prima facie evidence of the validity of the registration, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, **the prima facie presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, i.e., it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce.** [Emphasis supplied.]

⁴ See Exhibit "8" of Respondent.
⁵ G.R. No. 183404, October 13, 2010.

Clearly, it is not the application or registration of the mark which confers ownership. "The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of 'registered owner' does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced."⁶ Thus, while the certificate of registration issued to Respondent-Registrant for its mark PRO TEC creates a *prima facie* presumption of the validity of registration and ownership thereof, such presumption can be controverted by evidence on the contrary, that is, by proving that the party seeking the cancellation of the mark has a prior right as against the subsequent registrant.

Between Petitioner and Respondent-Registrant, it is the former who has a prior use and registration of the mark Pro Tec having applied for registration of the mark on 23 February 2000 and registration being granted on 28 September 2003 whereas the latter applied for registration of the confusingly similar mark only in 11 July 2007 and granted registration only on 06 September 2008.

Succinctly, the registration of the Respondent's PRO TEC mark, which is confusingly similar to Petitioner's trademark adopted and used prior to that of the Respondent's, is contrary to the provisions of the IP Code. The maintenance of Respondent-Registrant's mark in the Trademark Register is damaging and prejudicial to the best interest of the Petitioner.

Moreover, Respondent-Registrant's contention that this instant Petition should be dismissed because it abandoned its opposition to the application for registration of the mark PRO TEC when it did not file a verified opposition is also unmeritorious.

The remedies of an owner of a trademark to oppose the application of an identical or confusingly similar mark or to seek for the cancellation of a registered mark of another are not exclusive. The IP Code does not provide for exclusivity of the two remedies. Thus, an owner of a trademark cannot be prevented from filing a case for cancellation of a trademark of another which is identical or confusingly similar to its own, if it fails to oppose the registration of such mark.

In *Clorox Company v. The Director of Patents and Go Siu Gian*⁷, the Supreme Court enunciated:

The opposition to a registration and the petition for cancellation are alternative proceedings which a party may avail of according to his purposes, needs, and predicaments, and petitioner has the right to choose which remedy it deems best for the protection of its rights.

⁶ See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 10 June 2013.

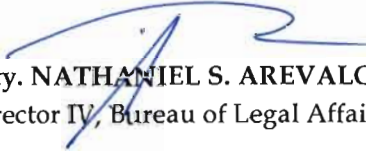
⁷ G.R. No. L-19531. August 10, 1967, citing *Anchor Trading Company vs. Director of Patents*, L-8004, May 30, 1956.

Thus, even if Petitioner did not file the Notice of Opposition to the application for registration of the herein subject mark PRO TEC, it can still avail the remedy of cancellation of trademark if its interest will be prejudiced by the continued registration of the mark PRO TEC of Respondent.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Reg. No. 4-2007-007249 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 24 January 2014.


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