OFFICE OF THE DIRECTOR GENERAL

PILIPINAS TOTAL GAS, INC.,
Appellant,

-versus-

TOTAL SA.,
Appellee.
x----------x

APPEAL NO. 14-2013-0053
IPC No. 14-2011-00322

Opposition to:
Application No. 4-2010-012496
Date Filed: 19 November 2010
Trademark: PILIPINAS TOTAL GAS, INC.

NOTICE

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Technology Transfer Bureau
Intellectual Property Office
Taguig City

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DATE:
BY:

NATHANIEL S. AREVALO
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GREETINGS:

Please be informed that on 22 September 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 22 September 2014.

Very truly yours,

ROBERT NEREO B. SAMSON
Attorney V

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Office of the Director General

OFFICE OF THE DIRECTOR GENERAL

PILIPINAS TOTAL GAS, INC.,
Respondent-Appellant,

-versus-

TOTAL SA,
Opposer-Appellee.

x----------x

Appeal No. 14-2013-0053

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Trademark: PILIPINAS TOTAL GAS, INC.

DECISION

PILIPINAS TOTAL GAS, INC. ("Appellant") appeals the decision[1] of the Director of Bureau of Legal Affairs ("Director") which sustained the opposition of TOTAL SA ("Appellee") to the registration of the Appellant's mark "PILIPINAS TOTAL GAS, INC." ("PILIPINAS TOTAL").

Records show that the Appellant filed on 19 November 2010 Trademark Application No. 4-2010-012496 for PILIPINAS TOTAL for chemicals used in industry, science, and agriculture consisting of liquid nitrogen, liquid oxygen, liquid argon, liquid carbon dioxide, hydrogen, laser gas, and other special gases. The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 02 May 2011. On 31 August 2011, the Appellee filed a "NOTICE OF OPPOSITION" alleging that it will be damaged by the registration of PILIPINAS TOTAL.

The Appellee asserted that it is the prior user and registered owner of the mark "TOTAL" in the Philippines and elsewhere in the world for chemicals used in industry and science, as well as in agriculture, horticulture, forestry and aquaculture, among others. The Appellee claimed that PILIPINAS TOTAL is identical to or closely resembles TOTAL as to be likely when applied to or used in connection with the goods of the Appellant, to cause confusion, mistake and deception. According to the Appellee, the purchasing public may be misled into thinking that the Appellant's goods either come from the Appellee or are sponsored or licensed by it. The Appellant's registration and use of PILIPINAS TOTAL will diminish the distinctiveness and dilute the goodwill of the Appellee's arbitrary mark TOTAL. The Appellee maintained that TOTAL is a well-known mark protected under the provisions of the Intellectual Property Code of the Philippines ("IP Code"), the Paris Convention, and the TRIPS Agreement.

[1] Decision No. 2013-194 dated 09 October 2013.

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The Appellant filed on 16 December 2011 an "ANSWER" denying the material allegations in the opposition and maintained that it was incorporated on 16 November 1995 with the primary purpose of engaging in the sale, transportation and distribution of industrial gases as well as sale of gas equipment and other related business on wholesale basis. The Appellant stated that there can be no likelihood of confusion because the Appellee's goods are different from its goods and that they have totally different set of consumers and their products flow in different trade channels. The Appellant averred that an "ordinary intelligent buyer", who has a need for supply and is familiar with the article, can tell the difference between the products of the Appellant and the Appellee. According to the Appellant, the word TOTAL is a generic term which is used in the trademark application in conjunction with other words. The Appellant argued that the Appellee failed to prove that TOTAL is a well-known mark.

After the appropriate proceedings, the Director sustained the opposition and held that the word TOTAL is common to the marks of the parties and that the Appellant will use or uses this mark on goods that are similar and/or closely related to those covered by the Appellee's mark. Hence, according to the Director, there is the likelihood for the consumers to assume that the Appellant's mark is just a variation of or related to the Appellee's mark. The Director ruled that the word TOTAL comprises the Appellee's corporate name and that the Appellant's adoption and use of PILIPINAS TOTAL is likely to mislead the public as to the source of the goods.

On 20 November 2013, the Appellant filed an "APPEAL MEMORANDUM" contending that it and the Appellee have different set of goods and are engaged in different types of business which negate any likelihood of confusion. The Appellant claims that the word TOTAL is a generic and descriptive term used in conjunction with other words and cannot be appropriated exclusively. The Appellant maintains that the adoption and use of the mark PILIPINAS TOTAL will not mislead the public as to the source of the goods involved or as to the identity of the parties.

The Appellee filed a "COMMENT ON THE APPEAL" dated 10 January 2014 maintaining that because PILIPINAS TOTAL is confusingly similar to TOTAL, the registration of the Appellant's mark will result in a strong likelihood of confusion as to the goods and business of the Appellant and the Appellee. The Appellee claims that the Appellant's goods covered by PILIPINAS TOTAL are similar or closely related to the Appellee's goods covered by TOTAL which include chemicals used in industry, science, and agriculture. The Appellee contends that the word TOTAL is not a generic or descriptive term but a suggestive term that is entitled to exclusive appropriation and protection as a mark.

On 29 January 2014, this case was referred to the IPOPHL Alternative Dispute Resolution (ADR) Services pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings. Subsequently, on 28 February 2014, this

Office received a copy of the "MEDIATOR'S REPORT" stating the refusal of the parties to submit this case to mediation proceedings.

The main issue in this appeal is whether the Director was correct in sustaining the opposition to the registration of PILIPINAS TOTAL in the name of the Appellant.

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 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.[2]

Thus, Sec. 123.1(d) of the IP Code, states that a mark cannot be registered if it:

> (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;

In this instance, the Appellee was issued on 22 January 2007 a certificate of registration containing the mark TOTAL for use on several classes of goods that include the following:

> chemicals used in industry and science, as well as in agriculture, horticulture, forestry and aquaculture; unprocessed plastics in any form; rubber in liquid form; artificial and synthetic resins, polymers used in industry; adhesives used in industry; detergents for industrial purposes; chemical additives for motor fuel, lubricants and fuel; chemical additives for insecticides, herbicides and fungicides; solvents included in this class; anti-freeze; fluids for hydraulic and transmission circuits; brake fluids; substances for absorbing petroleum, oils and greases; oil dispersants; petroleum (crude or refined); liquid, solid and gaseous fuels; motor fuel; gas and liquid petroleum gas; lubricants; industrial oils and greases; paraffin and waxes; illuminants; non chemical additives for motor fuel, fuel and lubricants.[3]

A scrutiny of these classes of goods show that they are related to the goods covered by PILIPINAS TOTAL, particularly the reference to chemicals used in industry, science, and agriculture and the use on petroleum and gases. The Appellant, however, insists that its use of PILIPINAS TOTAL will not likely cause confusion.

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[2] Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.
[3] Available at IPOPHL Trademark Database http://www.wipo.int/branddb/ph/en/ last accessed 18 July 2014.

In trademark cases, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set of rules can be deduced. Each case is decided on its own merits.[4] As the likelihood of confusion of goods or business is a relative concept, to be determined only according to the particular, and sometimes peculiar, circumstances of each case,[5] the complexities attendant to an accurate assessment of likelihood of such confusion requires that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined.[6]

Below are the reproductions of the Appellant's and Appellee's marks:

PILIPINAS TOTAL GAS, INC.

Appellant's mark

Appellee's mark

While it is true that the PILIPINAS TOTAL is composed of several words and the Appellee's mark only has the word TOTAL, the Appellant's use of TOTAL would still give rise to a likelihood of confusion because the Appellant's mark may be mistaken as just a variation of the Appellee's mark or vice versa. This is very likely considering that these marks both cover chemicals used in industry, science and agriculture, as well as petroleum and gas products.

The Appellee has adduced evidence that it has used its mark in the Philippines since 1989 and that its Philippine subsidiary that was incorporated in 1997 has adopted the corporate name "Total (Philippines) Corporation" which is engage primarily in the importation and trading of fuels, oils, lubricants, and liquefied petroleum gas. Moreover, the Appellee maintains that since its incorporation in 1924, it has become a leading multinational company with a worldwide presence in numerous markets across the globe and currently operates in more than 130 countries.[7]

It is, therefore, not farfetched that the Appellant knew the existence of the Appellee including the latter's use of the mark TOTAL. The discussion by the Supreme

[4] Emerald Garment Manufacturing Corporation v. Court of Appeals, 251 SCRA 600 (1995).
[5] Esso Standard Eastern, Inc. v. Court of Appeals, 116 SCRA 336 (1982).
[6] Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001.
[7] MEMORANDUM FOR OPPOSER-APPELLEE dated 28 March 2014, pages 2-3.

Court of the Philippines in the case of *Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaf*[8] regarding the concept of likelihood of confusion is instructive.

> Callmann 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:* "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 the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist."

In the present case, because of the likelihood that the Appellant's mark may be perceived as just a variation of the Appellee's mark, the Appellant's products may be assumed to originate with the Appellee. The Appellant's use and registration of PILIPINAS TOTAL would, therefore, create a likelihood of confusion as to the source or origin of the products covered by this mark. Consequently, the registration of the Appellant's mark may cause damage to the Appellee who has no control on the quality of the products of the Appellant.

The Appellee has already used and registered TOTAL as a distinguishing feature of its mark. It is, thus, surprising and is unlikely a coincidence that the Appellant would also come up using a similar mark on its goods that are closely related to the goods of the Appellee. To use a mark, which has been previously appropriated by another, for use on one's business, without any explanation is something mind-boggling. 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 Appellant had to come up with a mark so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.[9]

The Appellee is entitled to the protection of its mark that includes TOTAL. Contrary to the argument of the Appellant, the word TOTAL as used by the Appellee is not a generic mark but is a mark that is capable of distinguishing the Appellee's goods and services. The certificate of registration issued to the Appellee gives it the exclusive right to the use TOTAL on the goods and services covered by registration and those related thereto. The Appellant's use and registration of PILIPINAS TOTAL would therefore not only give rise to a likelihood of confusion but would also negate the exclusive right of the Appellee over the registered mark TOTAL. 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

[8] G. R. No. L-19906, 30 April 1969.
[9] American Wire & Cable Company vs. Director of Patents, G. R. No. L-26557, 18 February 1970.

rights to use the same in connection with the goods or services and those that are related thereto specified in the certificate.[10] Thus, the Appellee has the right to prevent the Appellant from registering PILIPINAS TOTAL.

As discussed in the case of *Societe Des Produits Nestle, S. A. v. Court of Appeals*,[11] the protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same --- to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.

In addition, the Director correctly pointed out that:

> This Bureau also noticed that the word TOTAL practically comprises the Opposer's corporate name. The trade name of its subsidiary in the Philippines is TOTAL (PHILIPPINES) CORPORATION, as can be gleaned from the Articles of Incorporation approved by the Securities and Exchange Commission. Sec. 165 (2) of the IP Code provides that:
>
> (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.
>
> (b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public shall be deemed unlawful.
>
> In fact, the mark PILIPINAS TOTAL GAS, INC. is almost identical to the trade name TOTAL (PHILIPPINES) CORPORATION. There is no doubt that the adoption and use by the Respondent-Applicant of the mark PILIPINAS TOTAL GAS, INC. is likely to mislead the public as to the source of the goods involved or as to the Respondent-Applicant's identity viz-a-viz the Opposer. Under Sec. 165.2, such adoption and use is deemed unlawful. Consequently, the registration of the mark in favor of the Respondent-Applicant must not be allowed.[12]

WHEREFORE, premises considered, the instant appeal is hereby dismissed. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let

[10] Berris Agricultural Co., Inc. v. Norvy Abyadang, G. R. No. 183404, 13 October 2010.
[11] G. R. No. 112012, 04 April 2001.
[12] Decision No. 2013-194 dated 09 October 2013, page 4.

also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.

22 SEP 2014 Taguig City

RICARDO R. BLANCAFLOR
Director General

CERTIFIED TRUE COPY
DATE:
ROBERT NERED B. SAMSON
ATTORNEY V
Office of the Director General