



REPUBLIC OF THE PHILIPPINES
COURT OF APPEALS
MANILA

Intellectual Property Office of the Phils.
Office of the Director General-Legal

RECEIVED
JAN 06 2015

SPECIAL SEVENTEENTH (17th) DIVISION

BY: TIME: 1:25

PILIPINAS TOTAL GAS, INC.,
Petitioner,,

- versus -

CA-G.R. SP NO. 137505

TOTAL SA,
Respondent.

X-----X

December 11, 2015

NOTICE OF DECISION

Sir:

Please take notice that on **December 10, 2015**, a **Decision**, copy hereto attached, was rendered by the **Special Seventeenth Division** of the Court of Appeals in the above-entitled case, the original copy of which is on file with this Office.

You are hereby required to inform this Court, within five (5) days from receipt hereof, of the date when you received this notice and a copy of the **Decision**.

Very truly yours,

MICHAEL F. REAL
Division Clerk of Court

Copy furnished via reg. mail w/rc:

QUASHA ANCHETA PEÑA & NOLASCO
Counsel for Petitioner
6th Flr., Don Pablo Building
114 Amorsolo St., Legaspi Village, Makati City

SYCIP SALAZAR HERNANDEZ & GATMAITAN
Counsel for Respondent
5th Flr., SyCipLaw Center
105 Paseo de Roxas, Mkatl City

RICARDO R. BLANCAFLOR
Director General
Intellectual Property Office
28 Upper McKinley Road
McKinley Hill Town Center, Taguig City

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
28 Upper McKinley Road
McKinley Hill Town Center
Taguig City

PILIPINAS TOTAL GAS, INC.
Petitioner
MD Distripark
121 East Science Avenue
Laguna Technopark, Binan
Laguna

TOTAL SA
Respondent
31st Floor, Export Bank Plaza
cor. Sen. Gil Puyat Avenue
& Don Chino Roces Avenue
Makati City

/rfl



Republic of the Philippines
COURT OF APPEALS
 Manila

SPECIAL SEVENTEENTH (17TH) DIVISION

PILIPINAS TOTAL GAS, INC.,
Petitioner,

CA G.R. SP.NO. 137505

Members:

GONZALES-SISON, M.,
Chairperson,
CRUZ, R.A., and
CORALES, P.B., JJ.

- versus -

TOTAL SA,
Respondent.

Promulgated:

DEC 10 2015 *3/11/15*

X-----X

DECISION

Cruz, R.A., J.:

~~CONFIDENTIAL TRUE COPY~~
[Signature]
ROY MICHAEL F. REAL
 Division Clerk of Court
 Court of Appeals
 Manila
 Division

THE CASE

This is a Petition for Review¹ under Rule 43 of the Revised Rules of Civil Procedure filed by Petitioner Pilipinas Total Gas, Inc. ("PTGI"), seeking to reverse and set aside the Decision² dated September 22, 2014 rendered by the Intellectual Property Office – Office of the Director General ("ODG") which affirmed the October 9, 2013 Decision³ of the Intellectual Property Office – Bureau of Legal Affairs which in turn sustained Respondent Total SA's opposition to PTGI's trademark application.⁴ The dispositive portion of the assailed Decision reads:

x x x

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 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.⁵

THE ANTECEDENTS

Petitioner Pilipinas Total Gas, Inc. ("PTGI") is a corporation duly registered under Philippine Laws engaged in the sale, transportation and distribution of industrial gases, as well as sale of gas equipments and other related business on wholesale basis.⁶ It was incorporated on November 16, 1995.⁷ PTGI claims that it also does construction work to facilitate transportation and distribution of industrial gases consisting of gas piping work, storage tank construction, gas separators and other technical gas support.⁸

Respondent Total SA is also a corporation duly organized and incorporated in 1924 under the laws of France and is primarily engaged in oil industry segments and chemicals production.⁹ Total (Philippines) Corporation is its subsidiary and was established to engage primarily in the importation and trading of fuels, oils, lubricants and liquefied petroleum gas.¹⁰

On November 19, 2010, PTGI filed with the Intellectual Property Office an application for the trademark "PILIPINAS TOTAL GAS, INC." The mark applied for consists of the combination of the words "PILIPINAS", "TOTAL", "GAS", and "INC."¹¹ The application was docketed as Application No. 4-2010-012496 and was published in the Official e-Gazette and released for circulation on May 2, 2011.¹²

Total SA filed its Notice of Opposition¹³ to the trademark application of PTGI claiming that such registration will cause it damage¹⁴ and will diminish the distinctiveness and dilute the goodwill of its "TOTAL" mark.¹⁵

On November 18, 2011, PTGI received a Notice to Answer¹⁶ dated November 3, 2011 from the Bureau of Legal Affairs of the Intellectual Property Office ("BLA"). PTGI was given thirty (30) days to file its answer to Total SA's Notice of Opposition.¹⁷

PTGI filed its Answer to Total SA's Notice of Opposition on December 16, 2011.¹⁸

On March 26, 2012, the BLA issued a Notice of Preliminary Conference directing the parties to appear before it on May 7, 2012.

The Preliminary Conference was terminated as the parties failed to reach an amicable settlement. The parties were then directed to file

their respective position papers within ten (10) days from May 14, 2012.¹⁹

On October 9, 2013, the BLA rendered its Decision²⁰ sustaining Total SA's opposition, the dispositive portion reads:

x x x

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2010-012496 be returned, together with a copy of the Decision to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.²¹

In sustaining Total SA's Opposition to PTGI's trademark application, the BLA noted that the feature common to the competing marks is the word "TOTAL". While Total SA's mark has a device, PTGI's mark contains the words "PILIPINAS", "GAS", and "INC." The word "TOTAL" is the part which confers the distinctive property which immediately draws the eyes and the ears and the component that leaves impression about the goods in the consumers' minds or consciousness.²² The BLA further noted that PTGI will use or uses the mark it applied for registration on goods that are similar and/or closely related to those covered by Total SA's mark. Hence, there is the likelihood for the consumers to assume that PTGI's mark is just a variation of or related to Total SA, and/or the goods or services originate or are provided by one party alone, or the parties themselves are connected or associated with one another. The likelihood of confusion would subsist not only on the purchaser's perception of the goods but also on the origin thereof.²³ Finally, the BLA observed that the mark PILIPINAS TOTAL GAS, INC. is almost identical to the trade name TOTAL (PHILIPPINES) CORPORATION which will likely mislead the public as to the source of the goods involved or as to the parties' identities.²⁴

On November 20, 2013, PTGI filed its appeal²⁵ with the IPO Office of the Director General ("ODG"). Total SA then filed its Comment on the Appeal²⁶ on January 10, 2014 to which PTGI filed its Reply²⁷ on January 22, 2014. Total SA subsequently filed its Rejoinder *Ad Cautelam*²⁸ dated February 6, 2014.

The ODG then referred the case for mediation and directed the parties to appear before the Intellectual Property Office Alternative Dispute Resolution Services on February 18, 2014. However, the parties failed to reach an amicable settlement. Hence, the ODG

directed the parties to submit their respective memoranda.²⁹

On September 25, 2014, the ODG rendered its assailed Decision³⁰ dismissing PTGI's appeal.

In its assailed Decision, the ODG held that while it is true that "PILIPINAS TOTAL GAS, INC." is composed of several words and that Total SA's mark only has the word "TOTAL", PTGI's use of the word TOTAL would still give rise to a likelihood of confusion because PTGI's mark may be mistaken as a variation of Total SA's mark or vice versa. Such confusion is very likely because these marks both cover chemicals used in industry, science and agriculture, as well as petroleum and gas products.³¹ PTGI's use and registration of PILIPINAS TOTAL GAS, INC. would, therefore, create a likelihood of confusion as to the source or origin of the products covered by the marks. This confusion may consequently cause damage to Total SA who has no control on the quality of the products of PTGI.³²

PTGI dispensed with the filing of a Motion for Reconsideration of the ODG's Decision because Section 9 of the IPO Uniform Rules on Appeal³³ proscribes such recourse. Hence, PTGI filed the present Petition for Review.

THE ASSIGNMENT OF ERRORS

Pilipinas Total Gas, Inc., ("PTGI"), now Our Petitioner, wants Us to reverse and set aside the Decision of the IPO Office of the Director General ("ODG"), and to dismiss the Opposition to its trademark application based on the following grounds:

I.
THE DIRECTOR GENERAL ERRED IN RULING THAT THE PETITIONER'S USE AND REGISTRATION OF THE MARK "PILIPINAS TOTAL GAS, INC." WILL CREATE A LIKELIHOOD OF CONFUSION AS TO THE GOODS AND BUSINESS OF RESPONDENT.

II.
THE DIRECTOR GENERAL ERRED IN RULING THAT THE WORD "TOTAL" IS NOT A GENERIC TERM AND THAT RESPONDENT IS ENTITLED TO THE EXCLUSIVE USE OF THE WORD "TOTAL".

III.

THE DIRECTOR GENERAL ERRED IN RULING THAT THE ADOPTION AND USE BY PETITIONER OF ITS CORPORATE NAME AND MARK "PILIPINAS TOTAL GAS, INC." IS LIKELY TO MISLEAD THE PUBLIC AND ITS ADOPTION AND USE IS DEEMED UNLAWFUL.³⁴

On the other hand, Total SA, Our Respondent, refutes the above assignment of errors by arguing that:

I.

PTGI FAILED TO SHOW ANY ERROR OF FACT OR LAW THAT WOULD WARRANT REVERSAL OF THE IPO DECISION.

II.

THE BLA DIRECTOR AND THE IPO DIRECTOR GENERAL CORRECTLY RULED THAT PTGI'S USE AND REGISTRATION OF THE PILIPINAS TOTAL GAS, INC. MARK WILL LIKELY CREATE CONFUSION AS TO THE GOODS AND BUSINESS OF TOTAL SA.

III.

THE BLA DIRECTOR AND THE DIRECTOR GENERAL CORRECTLY RULED THAT THE WORD TOTAL, AS USED BY TOTAL SA, IS NOT A GENERIC TERM BUT IS A SUGGESTIVE TERM THAT IS ENTITLED TO EXCLUSIVE APPROPRIATION AND PROTECTION AS A MARK.

IV.

THE BLA DIRECTOR AND THE IPO DIRECTOR GENERAL DID NOT ERR IN RULING THAT PTGI'S ADOPTION AND USE OF THE PILIPINAS TOTAL GAS, INC. MARK IS LIKELY TO CAUSE MISTAKE OR CONFUSION OR TO MISLEAD THE PUBLIC.

THE ARGUMENTS

Petitioner PTGI argues that the trademark "PILIPINAS TOTAL GAS, INC." will not create a likelihood of confusion as to the goods and business of Total SA. PTGI posits that the Holistic Test must be applied to determine whether there is a likelihood of confusion between the two trademarks.³⁵ PTGI submits that its mark and that of Total SA are visually and aurally different, meaning that there are remarkable

differences between the two trademarks which an ordinary buyer would easily identify and distinguish.³⁶ Its use of the word "TOTAL" in its mark is to describe the wide range of industrial gases it sells.³⁷ PTGI also claims that confusion is unlikely because they have uniquely different products and that its use of the word "TOTAL" is in conjunction with other distinguishing words, namely, "PILIPINAS", "GAS", and "INC." Moreover, the target buyers of its goods come from different markets compared to that of Total SA³⁸ because they offer non-competing and unrelated goods which are uniquely different from each other.³⁹ PTGI claims that it started using "PILIPINAS TOTAL GAS, INC." even before the Philippine subsidiary of Total SA, TOTAL (PHILIPPINES) CORPORATION, was established.⁴⁰

PTGI also avers that the word "TOTAL" is a generic or descriptive term and is not entitled to the protection afforded a trademark. It claims that the word "TOTAL" is used in conjunction with other words, "PILIPINAS" and "GAS" which are indicative of its products. It does not intend to appropriate the word "TOTAL" exclusively, but as part of the whole mark applied for.⁴¹ PTGI likewise noted that there are other registered marks bearing the word "TOTAL" as part of the entire trademark which only shows that such word cannot be appropriated exclusively.⁴² Moreover, Total SA's mark has not acquired the status of a well-known mark, therefore, not entitled to protection.⁴³

Lastly, PTGI maintains that the adoption and use of the mark "PILIPINAS TOTAL GAS, INC." will not mislead the public as to the source of the goods involved or as to the identity of the parties. PTGI claims that it was incorporated on November 16, 1995 to engage in the sale, transportation, and distribution of industrial gases as well as sale of gas equipments and other related business on wholesale basis.⁴⁴ On the other hand, it was only until two years later that Total SA established its Philippine subsidiary, Total (Philippines) Corporation. There is therefore no iota of evidence to show that it is the one which copied the corporate name of Total SA.⁴⁵ Moreover, PTGI posits that its business involves the sale of industrial gases as opposed to the sale of fuels, oils, lubricants and liquefied petroleum gas by Total SA.⁴⁶

On the other hand, Respondent Total SA argues that PTGI failed to show any error of fact or law which would warrant the reversal of the ODG's Decision.

Total SA writes up the BLA Director and the ODG for correctly ruling that PTGI's use and registration of the "PILIPINAS TOTAL GAS, INC." mark will likely create a confusion as to the goods and business

of Total SA. It posits that the ODG correctly concluded that it is not farfetched that PTGI knew of Total SA's existence, including the latter's use of the TOTAL mark.⁴⁷

Total SA likewise maintains that the Dominancy Test, not the Holistic Test, is the appropriate test to determine whether there is a likelihood of confusion between PTGI's PILIPINAS TOTAL GAS, INC. mark and Total SA's TOTAL mark.⁴⁸ Therefore, the ODG and the BLA Director correctly used the Dominancy Test in finding that there is a likelihood of confusion since PTGI's mark relates to goods that are similar and/or closely related to those covered by Total SA's TOTAL mark.⁴⁹ Moreover, the Dominancy Test has been explicitly adopted under the Intellectual Property Code as the standard in determining confusing similarity between marks.⁵⁰ Applying the Dominancy Test, the BLA Director and the ODG aptly found that the dominant word TOTAL in both parties' marks will result in a strong likelihood of confusion as to the goods and business of Total SA and PTGI.⁵¹

Total SA asseverates that it makes no difference that PTGI's mark uses the descriptive words PILIPINAS and GAS in conjunction with the word TOTAL because the word TOTAL remains to be the most distinct and prevalent feature of its mark.⁵²

Total SA also claims that the products in this case belong to the same class and industry where Total SA has built goodwill and reputation for its TOTAL mark, making it one of the easily recognizable marks in the market today. The fact that PTGI and Total SA use their marks in the same chemical industry for related goods increases the likelihood that consumers will mistakenly associate the more established originator such as Total SA with that of the imitator such as PTGI.⁵³ Assuming *arguendo* that PTGI's goods are not related to Total SA's goods, the protection enjoyed by the TOTAL mark as a well-known mark extends to dissimilar goods.⁵⁴

Total SA asserts that the BLA Director and the ODG correctly ruled that the word TOTAL as used by Total SA is not a generic term, but is a suggestive term that is entitled to exclusive appropriation and protection as a mark, which through continued use, became widely and firmly associated with Total SA's products.⁵⁵ In this case, as used by Total SA, the word TOTAL is not a common descriptive name for any of its chemical products covered by the mark nor does it convey any of the characteristics, functions, qualities, or ingredients of Total SA's chemicals and other products. Hence, the word TOTAL is neither used as a generic nor a descriptive term but as a suggestive term for

the range of its products.⁵⁶

Lastly, Total SA argues that PTGI's PILIPINAS TOTAL GAS, INC. mark is identical to or closely resembles the TOTAL mark, as to likely, when applied to or used in connection with Total SA's goods, cause confusion, mistake, and deception on the part of the purchasing public by misleading them into believing that PTGI's goods either come from Total SA or are sponsored or licensed by it.⁵⁷

OUR RULING

A trademark is any visible sign capable of distinguishing the goods of an enterprise and shall include a stamped or marked container of goods.⁵⁸ It was held that 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.⁵⁹

Trademark registration gives protection to the trademark owner. 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.⁶⁰

Section 123.1(d) of the Intellectual Property Code provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor with an earlier filing or priority date, with respect to the same or closely related goods or services, or has a near resemblance to such mark as to likely deceive or cause confusion.

We note that Total SA has been the first user and rightful registrant of the TOTAL mark in the Philippines as early as June 23, 1989.⁶¹ Total SA was also issued on January 22, 2007 a Certificate of Registration for its TOTAL mark for goods under Classes 1, 4, 5, 17, 19, 35, 36, 37, 39, 40, 42, and 43 of the International Classification of Goods and Services,⁶² which includes 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.⁶³

On the other hand, the products of PTGI are comprised of 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.⁶⁴

It is quite apparent that the classes of goods involved in Total SA's business are related to the goods covered by PTGI's business, specifically with reference to chemicals used in industry, science, and agriculture and the use on petroleum gases. Goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality.⁶⁵ The products covered by Total SA's and PTGI's marks both include goods falling under Class 1 of the Nice Classification.⁶⁶ We agree with the respondent that it is inconceivable that the parties' respective products included in this classification as covered by their marks can be considered as not closely related when they share attributes and characteristics commonly known and referred to by the public, particularly as industrial chemicals or agricultural chemicals.⁶⁷ Moreover, Section 123.1(d)⁶⁸ of the Intellectual Property Code provides that goods, although not specified in the certificate of registration, but are "related" to the goods specified in the certificate of registration, would be covered by the trademark protection extended for that certificate of registration.

But PTGI nonetheless argues that its "PILIPINAS TOTAL GAS, INC." trademark will not create a likelihood of confusion as to the goods and business of Total SA.⁶⁹ This is unpersuasive.

In determining similarity and likelihood of confusion, case law has developed the Dominancy Test and the Holistic or Totality Test. The Dominancy Test focuses on the similarity of the dominant features of

the competing trademarks that might cause confusion, mistake, and deception in the mind of the ordinary purchaser, and gives more consideration to the aural and visual impressions created by the marks on the buyers of goods, giving little weight to factors like prices, quality, sales outlets, and market segments. In contrast, the Holistic or Totality Test considers the entirety of the marks as applied to the products, including the labels and packaging, and focuses not only on the predominant words but also on the other features appearing on both labels to determine whether one is confusingly similar to the other⁷⁰ as to mislead the ordinary purchaser. The "ordinary purchaser" refers to one "accustomed to buy, and therefore to some extent familiar with, the goods in question."⁷¹

PTGI posits that the Holistic Test is the appropriate test to determine whether there is likelihood of confusion between the two trademarks.

PTGI is wrong.

The Dominancy Test is now explicitly incorporated in Section 155.1 of the Intellectual Property Code. It provides –

155.1 Use in commerce any reproduction, counterfeit, copy or **colorable imitation** of a registered mark or the same container or a **dominant feature** thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; (emphasis supplied)

In Our mind's eye, the BLA Director and the ODG obviously were correct in applying the Dominancy Test in determining the likelihood of confusion between the trademarks of PTGI and Total SA.

The Dominancy Test considers the dominant features in the competing marks in determining whether they are confusingly similar. Under the Dominancy Test, courts give greater weight to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark, disregarding minor differences.⁷² Courts will consider more the aural and visual impressions created by the marks in the public mind, giving little weight to factors like prices, quality, sales outlets and market segments.⁷³

While there are no set rules that can be deduced as to what constitutes a dominant feature with respect to trademarks applied for

registration but usually, what are taken into account are signs, color, design, peculiar shape or name, or some special, easily remembered earmarks of the brand that readily attracts and catches the attention of the ordinary consumer.⁷⁴ Comparing Total SA's "TOTAL" mark with PTGI's "PILIPINAS TOTAL GAS, INC." mark, one cannot but notice that both have a common component which is the word "TOTAL". Clearly, the word "TOTAL" is the dominant feature of these two marks.

By applying the Dominancy Test, PTGI's "PILIPINAS TOTAL GAS, INC." cannot be gainsaid to be similar to Total SA's "TOTAL" mark, which means that confusion or mistake is likely to occur. It is well-established that both marks pertain to the same class of goods – chemicals used in industry, science and agriculture, as well as petroleum and gas products. Therefore, the likelihood of confusion exists.

We also concur with the findings of the BLA Director and the ODG that while it is true that PTGI's "PILIPINAS TOTAL GAS, INC." mark is composed of several words and Respondent Total SA's mark only has the word "TOTAL", PTGI's use of the word TOTAL will still give rise to a likelihood of confusion because its mark may be mistaken as a mere variation of Total SA's mark or vice versa. It must be emphasized that Respondent Total SA sufficiently established that it had been using the TOTAL mark as early as June 23, 1989 as a rightful registrant of the TOTAL mark in the Philippines.⁷⁵ It subsequently established on August 1997 its Philippine subsidiary, Total (Philippines) Corporation, to engage primarily in the importation and trading of fuels, oils, lubricants, and liquefied petroleum gas.⁷⁶ Moreover, Total SA adduced evidence that since its incorporation in 1924, it has become a leading multinational company with a worldwide presence in numerous markets globally and currently operates in at least 130 countries.⁷⁷

Still, Petitioner PTGI also claims that the word "TOTAL" is a generic or descriptive term and is not entitled to the protection afforded a trademark.⁷⁸ Again, We disagree.

Generic terms are those which constitute "the common descriptive name of an article or substance," or comprise the "genus of which the particular product is a species," or are "commonly used as the name or description of a kind of goods," or "imply reference to every member of a genus and the exclusion of individuating characters," or "refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a

particular product," and are not legally protectable.⁷⁹

Section 123.1(h) of the Intellectual Property Code states that a mark cannot be registered if it "consists exclusively of signs that are generic for the goods or services that they seek to identify." It therefore means that the term "generic" does not refer to just any ordinary or regular word or sign. Rather, the term "generic" must be understood in reference to the goods or services associated with the word or sign in question.

On the other hand, a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it "forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is," or "if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods," or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination.⁸⁰

Here, the ODG correctly ruled that the word TOTAL, as used by Total SA, is not a generic mark but is a mark that is capable of distinguishing Total SA's goods and services.⁸¹ The term "TOTAL" is neither a generic nor a descriptive term but rather a suggestive term for the range of its products.

Suggestive terms are those which require "imagination, thought and perception to reach a conclusion as to the nature of the goods." Such terms, "which subtly connote something about the product," are eligible for protection in the absence of secondary meaning. While suggestive marks are capable of shedding "some light" upon certain characteristics of the goods or services in dispute, they nevertheless involve "an element of incongruity," "figurativeness," or "imaginative effort on the part of the observer."⁸²

Lastly, Petitioner PTGI argues that the adoption and use of the mark "PILIPINAS TOTAL GAS, INC." will not mislead the public as to the source of the goods involved or as to the identity of the parties. The argument is untenable.

A string cite⁸³ has noted two (2) types of confusion, viz: (1) confusion of goods (product confusion), where the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other; and (2) confusion of business (source or

origin confusion, where, although the goods of the parties are different, the product, the mark of which registration is applied for by one party, is such as might reasonably be assumed to originate with the registrant of an earlier product, and the public would then be deceived either into that belief or into the belief that there is some connection between the two parties, though inexistent.

The case of *Sterling Products International, Incorporated v. Farbenfabriken Bayer Aktiengesellschaft, et al.*,⁸⁴ is instructive on these two (2) types of confusion:

x x x

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." xxx 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."⁸⁵

While there is confusion of goods when the products are competing, confusion of business exists when the products are non-competing but related enough to produce confusion of affiliation.⁸⁶

Bearing in mind that the products of PTGI and Total SA are non-competing but are related, a confusion of business may possibly exist. PTGI's use of the PILIPINAS TOTAL GAS, INC. mark for its goods and services is likely to indicate a connection between its goods and services and those of Total SA, specifically its local subsidiary Total (Philippines) Corporation. This will mislead the public into believing that goods and services identified by the said trademark originate from, or are licensed by Total SA or its subsidiary. Indeed, there is a likelihood that PTGI's mark may be perceived as just a variation of the Total SA's mark, and therefore, the former's products may be assumed to originate from the latter. Simply put, PTGI's use and registration of PILIPINAS TOTAL GAS, INC will create a likelihood of confusion as to the source or origin of the products covered by such mark which may cause damage to Total SA who has no control on the quality of the products of PTGI.⁸⁷

It is well to note that the protection of trademarks as intellectual property is intended not only to preserve the goodwill and reputation of the business established on the goods bearing the mark through actual use over a period of time, but also to safeguard the public as

consumers against confusion on these goods.⁸⁸ On this domain, administrative agencies, such as the IPO, by reason of their special knowledge and expertise over matters falling under their jurisdiction, are in a better position to pass judgment thereon. Thus, their findings of fact in that regard are generally accorded great respect, if not finality by the courts, as long as they are supported by substantial evidence, even if such evidence might not be overwhelming or even preponderant. It is not the task of the appellate court to weigh once more the evidence submitted before the administrative body and to substitute its own judgment for that of the administrative agency in respect to sufficiency of evidence.⁸⁹

WHEREFORE, in view of the foregoing, the Petition for Review is **DISMISSED**. Accordingly, the Decision dated September 22, 2014 of the IPO Director General is hereby **AFFIRMED**.

SO ORDERED.

~~UNOFFICIAL COPY~~

Handwritten signature of Ramon A. Cruz
Hon. MICHAEL F. REAL
Division Chief of Cases
Court of Appeals
Manila

ORIGINAL SIGNED
RAMON A. CRUZ
Associate Justice

WE CONCUR:

ORIGINAL SIGNED
MARLENE GONZALES-SISON
Associate Justice

ORIGINAL SIGNED
PEDRO B. CORALES
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

ORIGINAL SIGNED
MARLENE GONZALES-SISON
Associate Justice
Chairperson, Special Seventeenth Division

¹Acting Junior Member per Office Order No. 517-15-ABR dated December 7, 2015.

²Rollo, pp.10-38.

³*Id.* at 45-51.

⁴*Id.* at 176-180.

⁵*Id.* at 72.

⁶*Id.* at 51.

⁷*Id.* at 58,61.

⁷Rollo, p.57.

⁸*Id.* at 13.

⁹*Id.* at 379.

¹⁰*Id.* at 332, 379.

¹¹*Id.* at 72.

¹²*Id.* at 13.

¹³Rollo, pp.75-85.

¹⁴*Id.* at 75.

¹⁵*Id.* at 83.

¹⁶*Id.* at 73.

¹⁷*Id.*

¹⁸*Id.* at 95-103.

¹⁹Rollo, p. 14.

²⁰*Id.* at 177-180.

²¹*Id.* at 180.

²²*Id.* at 179.

²³*Id.*

²⁴*Id.* at 180.

²⁵Rollo, pp.181-198.

²⁶*Id.* at 202-223.

²⁷*Id.* at 224-242.

²⁸*Id.* at 243-270.

²⁹*Id.* at 16.

³⁰*Id.* at 45-51.

³¹Rollo, p.48.

³²*Id.* at 49.

³³Intellectual Property Office Uniform Rules on Appeal, Office Order No. 12, Series of 2002.

Section 9. Decision. - The decision or order of the Director General shall be final and executory fifteen (15) days after receipt of a copy thereof by the parties unless appealed to the Court of Appeals in case of appeals from decisions or final orders of the BLA, BOP, BOT, or the Secretary of the Department of Trade and Industry in case of appeals from the decisions or final orders of the DITTB. The appeal shall not stay the decision or order of the Director General unless the Court of Appeals of the Secretary of the Department of Trade and Industry directs otherwise. No motion for reconsideration of the decision or order of the Director General shall be allowed.

³⁴Rollo, p.17.

³⁵*Id.* at 23.

³⁶*Id.* at 23-24.

³⁷*Id.* at 25.

³⁸*Id.* at 22.

³⁹*Id.* at 25-26.

⁴⁰Rollo, p.25.

⁴¹*Id.* at 31.

⁴²*Id.* at 32.

⁴³*Id.*

⁴⁴*Id.* at 35.

⁴⁵*Id.*

⁴⁶Rollo, p.36.

⁴⁷*Id.* at 337.

⁴⁸*Id.*

⁴⁹*Id.*

⁵⁰Rollo, p.338.

⁵¹*Id.*

⁵²*Id.*

⁵³*Id.* at 342.

⁵⁴*Id.* at 346.

⁵⁵*Id.* at 350.

⁵⁶Rollo, pp.350-351.

⁵⁷*Id.* at 353.

⁵⁸Section 121.1 of the Intellectual Property Code.

⁵⁹Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, April 4, 2001 (citing *Mishawaka Mfg. Co. v. Kresge Co.*, 316 U.S. 203, 53 USPQ 323 [1942]).

⁶⁰*Mirpuri v. Court of Appeals*, G.R. No. 114508, November 19, 1999 (citing *Gabriel v. Perez*, 55 SCRA 406, 417 [1974] citing 52 Am Jur, p. 508).

⁶¹Rollo, p.375

⁶²*Id.* at 646-647.

⁶³*Id.* at 647.

⁶⁴*Id.* at 13.

⁶⁵*Canon Kabushiki Kaisha v. Court of Appeals*, G.R. No. 120900, July 20, 2000.

⁶⁶The Nice Classification is a classification of goods for the purpose of registering trademark and services marks, based on the 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 Purpose of the Registration of Marks concluded in 1957. (BLA Decision, Rollo p.177)

⁶⁷Rollo, p.345.

⁶⁸SECTION 123. Registrability. –

123.1 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;

⁶⁹Rollo, p.17.

⁷⁰*Great White Shark Enterprises, Inc. v. Caralde*, G.R. No. 192294, November 21, 2012 (citing *Berris Agricultural Co., Inc. v. Abyadang*, G.R. No. 183404, October 13, 2010).

⁷¹*Great White Shark Enterprises, Inc.* G.R. No. 192294 (citing *Dermaline, Inc. v. Myra Pharmaceuticals, Inc.*, G.R. No. 190065, August 16, 2010).

⁷²*McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993, August 18, 2004 (citing *V. Amador, TRADEMARKS UNDER THE INTELLECTUAL PROPERTY CODE 263* [1999]).

⁷³*McDonald's Corporation*, G.R. No. 143993.

⁷⁴*Dermaline, Inc. v. Myra Pharmaceuticals, Inc.*, G.R. No. 190065, August 16, 2010.

⁷⁵Rollo, p.375.

⁷⁶*Id.* at 384-392.

⁷⁷*Id.* at 451-644.

⁷⁸*Id.* at 29.

⁷⁹*Societe Des Produits Nestle*, G.R. No. 112012 (citing the Federal Unfair Competition: Lanham Act § 43(a), p. 3-22.1).

⁸⁰*Societe Des Produits Nestle*, G.R. No. 112012 (citing the Federal Unfair Competition: Lanham Act § 43(a), p. 3-36).

⁸¹Rollo, p.49.

⁸²*Societe Des Produits Nestle*, G.R. No. 112012 (citing the Federal Unfair Competition: Lanham Act § 43(a), p. 3-54).

⁸³*Dermaline, Inc.*, G.R. No. 190065 (citing *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993, August 18, 2004).

⁸⁴137 Phil. 838 (1969).

⁸⁵*McDonald's Corporation*, G.R. No. 166115.

⁸⁶*McDonald's Corporation*, G.R. No. 166115 (citing *Agpato, THE LAW ON TRADEMARK, INFRINGEMENT AND UNFAIR COMPETITION 45-46* [2000]).

⁸⁷Rollo, p.49.

⁸⁸*Berris Agricultural Co., Inc. v. Norvy Abyadang*, G.R. No. 183404, October 13, 2010 (citing *McDonald's Corporation v. MacJoy Fastfood Corporation*, G.R. No. 166115, February 2, 2007).

⁸⁹*Berris Agricultural Co., Inc.* G.R. No. 183404 (citing *Amigo Manufacturing, Inc. v. Cluett Peabody Co., Inc.*, 406 Phil. 905, 916 [2001])