

ASTRAZENECA AB,	}	IPC No. 14-2008-00008
Opposer,	}	Case Filed : 09 January 2008
	}	
-versus-	}	Opposition to:
	}	Serial No. : 4-2006-013739
STEINBACH PRODUCTS, INC.,	}	Date Filed : 21 December 2006
Respondent-Applicant.	}	Trademark : "ZOSEC"
x-----x	}	Decision No. 2008-187

DECISION

This pertains to a Verified Opposition filed on 09 January 2008 by herein opposer, AstraZeneca AB, foreign corporation duly organized and existing under the laws of Sweden with principal address at Vastra Malarehamnen 9 S-151 85 Sodertalje, Sweden, against the application filed on 21 December 2006 bearing Serial No. 4-2006-013739 for the registration of the trademark "ZOSEC" used for goods in Class 05 for pharmaceutical preparations namely omeprazole, which application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 14 September 2007.

The respondent-applicant in this instant opposition case is Steinbach Products, Inc., with registered business address at 151 San Francisco St., Mandaluyong City

The grounds of this opposition case are as follows:

(1) The trademark ZOSEC of the Respondent-Applicant is confusingly similar with the trademark "LOSEC" of the Opposer in respect of pharmaceutical preparations with omeprazole as an active ingredient as to be likely when applied to, or used in connection with the goods of the Respondent-Applicant, to cause confusion, mistake or to deceive purchasers. Hence, the registration of the trademark "ZOSEC" in the name of the Respondent-Applicant will violate the provisions of R.A. 8293 particularly Sec. 123.1 (d), (i) and (iii) thereof;

(2) Opposer has registration of the trademark "LOSEC" in different countries of the world including the Philippines which are still valid and enforceable. In the Philippines, Opposer has, among others, Certificate of Registration No. 34759 issued on October 1, 1985 for "pharmaceutical preparations for human use for the treatment of gastro intestinal diseases."

(3) Opposer has spent much for the advertisement and promotion of the trademark "LOSEC". Hence, Opposer's business and goodwill will clearly be damaged and suffer irreparable injury by the registration and use of a confusingly similar mark described as "ZOSEC" by the Respondent-Applicant.

(4) The trademark "LOSEC" is internationally known and famous trademark of the Opposer and the registration of a similar, patently identical and/or confusingly similar mark by any third party is a violation of Art. 6Bis of the Paris Convention for the Protection of Industrial Property and the WTO (Uruguay Round)-TRIPS Agreement under Art. 2.1 in relation to Article 16 and Art. 42 of said Agreement.

(5) Respondent-Applicant acted in bad faith in applying for the registration of its mark being fully aware of the Opposer's well-known mark "LOSEC" which is patently identical if not confusingly similar with its mark.

(6) Opposer's mark is a very strong mark. It is not an ordinary word but a unique and invented word whereby the Opposer has extensively promoted and used for a long period of time so that, like any other property right, it has earned a reputation and goodwill which should be protected under the IP Code. Why would the respondent-applicant adopt and use a similar mark when there are hundreds of words free for appropriation that can be adopted and used, if it is not motivated by the desire to secure the benefits of the reputation, goodwill and advertising value of the Opposer's mark?"

The allegations of facts are provided as follows:

“1. Opposer is the prior adopter, user and owner of the internationally known mark “LOSEC”. The active ingredient of “LOSEC” is “omeprazole” x x x.

2. Opposer's mark “LOSEC” is registered with the Intellectual Property Office under Certificate of Registration No. 34759 for pharmaceutical preparations for human use for the treatment of gastro intestinal diseases under class 5 issued on October 1, 1985 which is still valid and enforceable. As a registered mark, it is entitled to such protection in the Philippines against unauthorized use or appropriation by third parties including the respondent-applicant.

3. Opposer has obtained and continues to obtain registrations of well-known mark “LOSEC” from the Intellectual Property Offices of various countries around the world.

4. Opposer's internationally well-known mark “LOSEC” has long become distinctive of the business and/or goods of the Opposer through the latter's long and exclusive use thereof in international commerce. In the global market for pharmaceutical preparations for the treatment of gastro intestinal diseases and disorders containing omeprazole, “LOSEC” is the world leader.

5. The identity or the confusing similarity between respondent-applicant's “ZOSEC” mark and the internationally well-known trademark “LOSEC” of Opposer is very likely to deceive the purchasers of goods on which the mark is being used, not only as to the origin or sponsorship of said goods, but also as to the nature, quality, and characteristics of the goods to which the mark is affixed.

6. The phonetic identity between the two marks renders the two competing trademarks almost identical so as to deceive prospective purchasers into believing that the goods covered by the competing marks come from the same source or sponsorship. Visually, the two marks contained the same number of letters, containing almost the same letters “O-S-E-C” with the same pronunciation. Their only difference is their initial letters. The opposer's mark starts with letter “Z” but all the rest are the same. Considering that there are more similarities than dissimilarities when comparing the two marks, the likelihood of confusion or deception in the use of the respondent-applicant's mark on its goods is therefore greater.

7. With millions of word combinations that respondent-applicant could have come up with, it still chose the mark “ZOSEC” which has no significance to the goods for which it is being applied or to the company that will use it. The inescapable conclusion is that respondent-applicant adopted the mark “ZOSEC” to ride on the popularity and goodwill that the Opposer has created for its mark “LOSEC”. This malicious intent to ride on the goodwill that Opposer has established for its registered mark is evident from the goods for which respondent-applicant's mark “ZOSEC” is to be applied – the goods in class 5

particularly “for pharmaceutical preparations namely omeprazole 20 mg Capsule.” Incidentally, the active ingredient of the opposer’s goods is “omeprazole.”

8. The test to be applied for adjudging the violation of the trademark law on cases involving medicinal products should be stricter. This is because “while confusion in the case of non-medicinal products may only cause economic loss to the complainant, confusion between two medicinal products may have more disastrous effects on health and in some cases life itself. x x x. The confusion as to the identity of the product itself could have dire effects on the public health.” Consequently, the respondent-applicant’s mark should not be allowed to be registered.”

Subsequently, this Bureau issued a Notice to Answer dated 05 February 2008 to herein respondent-applicant’s agent, Ofelia A. Natividad, directing the filing of Answer within thirty (30) days from receipt. Said Notice was duly received by the latter on 20 February 2008. In fact, a Motion for Extension of Time to File Verified Answer dated 19 March 2008 was filed on 18 March 2008, which was granted for additional thirty (30) days in Order No. 2008-805 dated 29 May 2008. To this date however, no motion, answer nor any pleading related thereto was filed by respondent-applicant or its agent. Thus, pursuant to Section 11 of Office Order No. 79, series of 2005, this instant opposition case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses and the documentary evidence submitted by herein opposer, consisting of Exhibits “A”, “B”, to “B-10”, “C”, “D”, to “D-1”, and “E” to “E-6”.

The issues –

- I. Whether or not there is confusing similarity between opposer’s registered trademark “LOSEC” and respondent-applicant’s applied mark “ZOSEC”, both covering class 5 goods.
- II. Whether or not opposer’s registered trademark “LOSEC” is a well-known mark.

On the first issue of confusing similarity of the contending marks, this Bureau finds for the opposer, in accordance to Section 123.1 (d) of Republic Act (R.A.) No. 8293, or the Intellectual Property (IP) Code, to wit:

“Sec. 123. *Registrability.* – 123.1. 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;

x x x”

The foregoing provision deduced that the determining factor in the registration of marks is whether the use of the competing marks in connection with the goods or business will *likely cause confusion*.

In the instant case, the contending marks are opposer's trademark "LOSEC" with Philippine Registration (Renewal) No. 34759, and respondent-applicant's applied mark "ZOSEC", depicted hereunder:



Opposer's Mark

ZOSEC

Respondent's Mark

The examination of the marks "LOSEC" and "ZOSEC" reveals conspicuous similarity such that the only difference is the first letters "L" and "Z" in opposer and respondent-applicant's word marks, respectively. The remaining letters of the contending marks are identical, both aurally and visually. Obviously therefore, the similarity in the sounds effected in the pronunciation of the word marks creates comparable confusion to the buying public. This is the application of the *idem sonans rule*, as illustrated in the case of Sapolin Co. vs. Balmaceda (67 Phil 795).

In so far as the goods covered by the contending marks, it is apparent that both trademarks cover pharmaceutical preparations falling under Class 5 of the Nice Classification of Goods. As such, both products flow through the same channels of trade, therefore, confusion between the two trademarks would likely result to prospective buyers. In the case of Continental Connector Corp. vs. Continental Specialties Corp. 207 USPQ 60, the rule applied was that, the conclusion created by use of the same word as the primary element in a trademark is not counteracted by the addition of another term. By analogy, confusion cannot also be avoided by merely dropping or changing one of the letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other. (Societe Des Produits Nestle, S.A. vs. Court of Appeals, G.R. No. 112012, April 4, 2001) An unfair competitor need not copy the entire mark to accomplish its fraudulent purposes. It is enough if he takes the one feature which the average buyer is likely to remember. (Nims, The Law of Unfair Competition and Trademarks, 4th ed., Vol. 2, pp. 678-679) Indeed, measured against the dominant-feature standard, Respondent-Applicant's mark must be disallowed. For undeniably, the dominant and essential feature of the article is the trademark itself.

It is also worthy to note that the determinative factor in a contest involving registration of trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would likely cause confusion or mistake on the part of the buying public. The law does not require that the competing marks must be so identical as to produce actual error or mistake. It would be sufficient that the similarity between the two marks is such that there is possibility of the older brand mistaking the newer brand for it.

Finally, it must be emphasized that opposer's mark "LOSEC" (to which respondent-applicant's mark "ZOSEC" is confusingly similar) has renewed its registration on 01 October 2005, by virtue of the issuance of a Certificate of Renewal of Registration on 10 July 2006 Exhibit "A"). Thence, opposer is entitled to protection pursuant to Section 138 of Republic Act No. 8293 which states that "the certificate of registration is a prima facie evidence of the registrant's ownership of the mark, and of the exclusive right to use the same in connection with the goods or services specified in the certificate and those that are related thereto."

Anent the second issue posed, this Bureau negates the declaration of opposer's "LOSEC" trademark as well-known and is therefore not entitled to protection under the law.

Opposer failed to submit eloquent proof to prove that the mark has actually gained and enjoyed a worldwide reputation internationally and in the Philippines, in accordance to the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, particularly Rule 102, which enshrines the criteria to determine a well-known mark, to wit:

"Rule 102. Criteria for determining whether a mark is well-known. – In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used in identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark."

The evidence of opposer is converged mainly on trademark registration in the Philippines (Exhibit "A") and in foreign countries (Exhibits "B" to "B-10"). The sales invoice (Exhibit "D") presented sales activity in the Philippines alone, without establishing sales in foreign jurisdiction. Thus, opposer failed to show the actual duration and extent of its sales, use and also promotion and advertisement which were alleged in its opposition to respondent-applicant's applied mark "ZOSEC".

IN VIEW of all the foregoing, the instant Verified Opposition is, as it is hereby SUSTAINED. Consequently, trademark application bearing Serial No. 4-2006-013739 for the mark "ZOSEC" filed on 21 December 2006 covering Class 05 goods for pharmaceutical preparations namely, omeprazole 20 mg capsule, is hereby REJECTED.

Let the file wrapper of "ZOSEC", subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 22 October 2008.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs