

BAUSCH AND LOMB INC.,	}	IPC NO. 14-2008-00203
Petitioner,	}	Petition for Cancellation
	}	
-versus-	}	Registration No. : 4-2007-009201
	}	Date Issued : 07 July 2008
GETZ BROTHERS	}	
PHILIPPINES, INC.,	}	Trademark : "ZYGET"
Respondent-Registrant.	}	
x-----x	}	Decision No. 2009-70

DECISION

This pertains to a Petition for Cancellation filed on 11 September 2008 by herein petitioner, Bausch and Lomb Incorporated, a corporation duly organized and existing under the laws of New York State, United States of America, with business address at One Bausch Lomb Place, Rochester NY 14604, USA, against the registration of the trademark "ZYGET" bearing Registration No. 4-2007-009201 on 07 July 2008 under Class 05 goods for pharmaceutical product for the treatment of seasonal, perennial and persistent allergic rhinitis namely ocular symptoms, chronic idiopathic urticaria.

The respondent-registrant of the subject mark in this instant petition is Getz Brothers Philippines, Inc., a corporation duly organized and existing under the laws of the Republic of the Philippines, with business address at 5th Floor, Ortigas Building, Ortigas Avenue, Pasig City.

The grounds for the opposition are as follows:

6. The online data base of this Honorable Office shows that on 07 July 2008, Registration No. 4-2007-009201 for the mark "ZYGET" for goods under Class 05, specifically, pharmaceutical product for the treatment of seasonal, perennial and persistent allergic rhinitis namely ocular symptoms, chronic idiopathic urticaria, was considered as deemed registered. The trademark consists of the word mark "ZYGET", which is confusingly similar to the mark "ZYLET", for which Petitioner has already obtained an earlier Philippine registration, and which mark is internationally well-known.

x x x

7. The registration of the mark "ZYGET" in the name of Respondent-Registrant will violate and contravene the provisions of Section 123.1 (d), (e), (f) and (g) of the IP Code, as amended, because said mark is confusingly similar to Petitioner's earlier filed and registered, and internationally known mark "ZYLET" covering goods in Class 5 (Ophthalmic Pharmaceutical and Veterinary Preparations; Sanitary Preparations for Medical Purposes; Dietetic Substances Adapted For Medical Use, Food For Babies, Plaster; Materials for Dressings; Material for Stopping Teeth, Dental Wax; Disinfectants; Preparations for Destroying Vermin; Fungicides, Herbicides) owned, used and not abandoned by the Petitioner as to be likely when applied to or use in connection with the goods of Respondent-Registrant to cause confusion or mistake, or deceive the purchasers thereof as to the origin of the goods.

8. Petitioner has been using the mark "ZYLET" for goods under Class 5, such as ophthalmic pharmaceutical preparations and substances since 24 January 2005. Petitioner's mark "ZYLET" is registered with the Intellectual Property Office of the Philippines under Certificate of Registration No. 4-2005-003466 issued on 03 September 2005.

9. As such registered mark, it is entitled to protection in the Philippines against unauthorized use or expropriation of said mark by third parties, and bars the registration of a mark confusingly similar thereto.

10. The registration of the mark "ZYGET" for goods under Class 5 in the name of Respondent-Registrant will cause grave and irreparable injury and damage to Petitioner, for which reason to oppose said application based on the grounds set forth hereunder.

11. Petitioner was founded in 1853 in Rochester, New York as a small optical shop that grew to become a multi-billion dollar corporation with approximately 13,000 employees worldwide and with products available in 100 countries. Petitioner is in the eye health business and offers the most comprehensive portfolio eye health products, and has one of the oldest, best known and most respected healthcare brands in the world.

12. Petitioner manufactures and markets five broad categories of products, such as:

- a. Contact Lenses, under the well-known brand names as Purevision, Soflens, Boston, and Optima;
- b. Lens Care, which includes the brand names ReNu, Sensitive Eyes, and Boston;
- c. Pharmaceutical, under the brand names Lotemax, Alrex, Zylet, Retisert, Vitrasert, Liposic, OcuVite, PreserVision, Soothe, and Alaway, to treat various conditions;
- d. Cataract and Vitreoretinal Surgery, under the brand names Crystalens, SofPort, Akreos, Stellaris, Millenium, and Storz, for various products;
- e. Refractive Surgery, under the brand names Zyoptix, Zyoptix XP, Hansatome.

13. ZYLET as an ophthalmic suspension product, is a unique combination of the proven anti-inflammatory power of loteprednol etabonate, with the broad spectrum anti-infective agent, tobramycin. ZYLET is the first FDA (USA) approved anti-inflammatory/anti-infective ophthalmic combination since the late 1980's.

14. Petitioner is the prior user, adopter, and owner of the mark "ZYLET" in the Philippines and elsewhere around the world.

15. Petitioners have obtained and continues to obtain registrations for the mark "ZYLET" from the intellectual property offices of various countries around the world. Attached hereto as Exhibit "C" to "C-48" is the duly notarized and authenticated Affidavit-Direct Testimony of Ms. Jean F. Geisel, Secretary of Petitioner, detailing the history of the mark "ZYLET", listing the worldwide active registrations and pending applications therefore, and identifying the various trademark registrations attached to her Affidavit-Direct Testimony, the originals of which are in her custody.

16. Petitioner's mark "ZYLET" has acquired immense and valuable goodwill as a result of enormous sums of money spent in advertising and promotions worldwide of its "ZYLET" branded products. Some samples of articles, advertising

and promotion materials of Petitioner depicting the mark "ZYLET" are attached herewith as Exhibit "C-49" to "C-67". x x x

19. By reason of the reputation and extensive use of the mark "ZYLET", there is no doubt that the said mark is internationally well-known.

20. Allowing the registration of any mark which is similar or contains Petitioner's well-known mark to any entity other than Petitioner, will surely cause great damage to Petitioner, cause confusion and injury to the public, will dilute and erode the distinctiveness and goodwill that Petitioner's well-known mark has already obtained through long use, heavy advertisement and promotions.

21. More importantly, allowing the registration of a confusingly similar mark to "ZYLET" such as Respondent-Registrant's mark "ZYGET" will cause confusion or possible substitution of products by the dispensing pharmacist which will result in great endangerment to the health and well-being of the consumers. In the case of *Sps. Gerry and Annalyn Fernandez vs. Mercury Drug Corporation* plaintiff Annalyn purchased 10 tablets of the vitamin Thiamine tablets from defendant Mercury Drug Corporation by presenting to the latter's employees the prescription issued by a dermatologist for her 2-year old daughter. After her very young daughter had taken in and ingested one of the tablets sold to plaintiff Annalyn by defendant, said child cried continuously, complaining of burning sensation in her mouth and, after a few minutes, the child lapsed into "sleep" with saliva coming out of her mouth. It turned out that what sold to complainants were Thorazine tablets, 200 mg, classified as an anti-psychotic drug, and not Thiamine (Vitamin B) tablets called for in the doctor's prescription. x x x

22. Based on the foregoing, it is clear that even the pharmacist who was supposed to be familiar with the names of drugs got confused with what was written in the prescription because Thiamine and Thorazine are confusingly similar when written and read. x x x

24. In the instant case, Petitioner's mark "ZYLET" and Respondent-Registrant's mark "ZYGET" are similar in appearance except for one letter. Moreover, both marks have two syllables. Thus, when pronounced, the sounds of "ZYLET" and "ZYGET" are confusingly similar.

25. Likewise, I must be emphasized that Petitioner's goods bearing the mark "ZYLET" and Respondent-Registrant's goods using the mark "ZYGET" are both pharmaceutical products. In fact, both Petitioner's and Respondent-Registrant's goods are classified under Class 5. Said similarity in class is an important indicator of confusing similarity because the classification is based on the general description of the properties and characteristics of the goods⁵.

26. Petitioner's "ZYLET" is an anti-inflammatory/anti-infective ophthalmic suspension product. In other words, Petitioner's "ZYLET" is a treatment for eye infection and inflammation (bacterial ocular infection).⁶ On the other hand, Respondent-Registrant's "ZYGET" is a pharmaceutical product for the treatment of allergic rhinitis⁷ namely ocular⁸ symptoms and chronic idiopathic urticaria⁹. Clearly, both marks of Petitioner and Respondent-Registrant cover goods for the treatment of ocular symptoms or pertaining to or affecting the eyes.

27. Considering that Petitioner's "ZYLET" goods and Respondent-Registrant's "ZYGET" goods are both pharmaceutical products and directed towards similar symptoms, the channels of trade is the same, i.e. drugstores or pharmacies within a store or establishment. Hence, the fact that "ZYLET" and "ZYGET" are visually and aurally confusingly similar may create confusion or

possible substitution of products by the dispensing pharmacist which will result in great endangerment to the health and well-being of the consumers, which is of paramount importance.

28. All said, it is clear that the registration of the mark "ZYGET" in the name of Respondent-Registrant will contravene and violate Section 123.1 (d) (i) and (iii), (e), (f) and (g) of the IP Code, x x x

29. As an internationally well-known mark, Petitioner's mark "ZYLET" is protected under Article 6bis of the Paris Convention, which provides:

30. The confusing similarity between Respondent-Registrant's "ZYGET" mark and Petitioner's internationally well-known mark "ZYLET" is very likely to deceive the purchasers of goods on which the mark is being used as to the origin or source of said goods and as to the nature, character, quality and characteristics of the goods to which it is affixed.

31. Petitioner will be damaged by the continued registration of the mark "ZYGET" in the name of Respondent-Registrant, considering the fact that Petitioner's mark has long been established and has obtained goodwill and consumer recognition worldwide.

32. Respondent-Registrant's application to register the mark "ZYGET" is in unfair competition with and an infringement of Petitioner's well-known mark "ZYLET", as the use of the mark on the goods described in its application clearly violates the exclusive right of the Petitioner to mark "ZYLET".

33. The registration of the mark "ZYGET" in the name of Respondent-Registrant will violate the proprietary rights/interest, business reputation and goodwill of petitioner over its mark "ZYLET", considering that the distinctiveness of said mark will be diluted, thereby causing irreparable injury to the Petitioner.

34. It is also apparent that the registration of the mark "ZYGET" in the name of Respondent-Registrant, which mark is confusingly similar to petitioner's well-known mark "ZYLET", will not only prejudice Petitioner but will also allow Respondent-Registrant to unfairly benefit from and get a free ride on the goodwill of Petitioner's well-known mark."

This Bureau issued a Notice to Answer dated 06 October 2008 to respondent-registrant, directing the filing of its Answer within thirty (30) days from receipt. Said Notice was duly received by Chiqui Reodica of respondent-registrant on 27 October 2008. To this date however, no motion, answer not any pleading related thereto was filed by respondent-registrant. 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 petitioner, consisting of Exhibits "A" to "C"; inclusive of sub-markings.

Subsequently, on 08 January 2009, herein petitioner filed a Motion to Declare Respondent-Registrant in Default. This was granted in Order No. 2009-231 dated 28 January 2009, with further directive for petitioner to submit its position paper within a non-extendible period of ten (10) days from receipt of said written order.

The issue –

Whether or not respondent-registrant's registered trade mark "ZYGET" warrants cancellation under Section 123.1 (d), (e), (f) and (g) of Section 123.1, Republic Act (R.A.) No. 8293 or the Intellectual Property (IP) Code of the Philippines.

In a contest involving registration of trademark, the determinative factor 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. It does not require that the competing trademarks must be so identical as to produce actual error or mistake. It is rather sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand mistaking the newer brand for it.

The pertinent provision of law provides, 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;”
(Emphasis Ours.)

The existence of confusion of trademark or the possibility of deception to the public hinges on “*colorable imitation*”, which has been defined as “such similarity in form, content, words, sound, meaning, special arrangement or general appearance of the trademark or trade name in their overall presentation or in their essential and substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article.” (Emerald Garment Mfg. Corp. v Court of Appeals, 251 SCRA 600)

In resolving the issue of confusing similarity, the law and jurisprudence has developed two kinds of tests – the *Dominancy Test* as applied in a litany of Supreme Court decisions including Asia Brewery, Inc. v. Court of Appeals, 224 SCRA 437; Co Tiong v. Director of Patents, 95 Phil. 1; Lim Hoa v. Director of Patents, 100 Phil. 214; American Wire & Cable Co. v. Director of Patents, 31 SCEA 544; Philippine Nut Industry, Inc. v. Standard Brands, Inc., 65 SCRA 575; Converse Rubber Corp. v. Universal Rubber Products, Inc., 147 SCRA 154; and the *Holistic Test* developed in Del Monte Corporation v. Court of Appeals, 181 SCRA 410; Mead Johnson & Co. v. N.V.J. Van Dorp, Ltd., 7 SCRA 771; Fruit of the Loom, Inc. v. Court of Appeals, 133 SCRA 405.

The Test of Dominancy has been consistently relied upon by the Honorable Supreme Court in cases relating to infringement of marks. It is in fact incorporated in Section 155 of R.A. 8293 which focuses on the similarity of the prevalent features, or the main, essential and dominant features of the competing trademarks which might cause confusion or deception. As to what constitutes a dominant feature of a label, no set of rules can be deduced. Usually, these are signs, color, design, peculiar shape or name, or some special, easily remembered earmarks of the brand that easily attracts and catches the eye of the ordinary consumer.

The issue on confusion of marks and trade names are split into two types: (1) confusion of goods or services, and (2) confusion of business or of origin. In the first type, the ordinary prudent purchaser would be induced to purchase one product or service because of the similarity of the marks or trade names used thereon, relating to same or related kind of products or services. The second type of confusion exists, when one party’s product or service, though different from that of another, is such as might reasonably be assumed to originate from the latter, and the public would then be deceived into that belief or into the belief that there is some connection or business association between the parties which, in fact, is absent.

The instant case reveals both confusion of goods and service, and confusion of business or of origin.

First. Petitioner's and respondent-registrant's registered trademarks are reproduced hereunder for comparison:

ZYLET

Petitioner's Trademark

ZYGET

Respondent-Registrant's Trademark

A perusal of the contending marks show that they are visually and aurally confusingly similar. Both marks are spelled the same, with the exception of the middle letters "L" and "G" in petitioner's "ZYLET" and respondent-registrant's "ZYGET", respectively. Thus, the same cadence is produced when the contending marks are spoken. Moreover, the fonts have no distinguishing features in size, form and color, undeniably, what normally attracts the attention and catches the eye of the public is the dominant similarity of the marks. 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.

Second. With respect to the goods/service of the contending marks this Bureau finds that both trademarks are related and competing because they cover the same classification of goods, *class 5* for pharmaceutical preparations. "Goods are related when they belong to the same class or have the same class or descriptive properties; when they possess the same physical attributes or essential characters with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in grocery store. Thus biscuits were held related to milk because they are both food products." (American Foundries vs Robertson, 269 USPO 372, 381) As such, both products flow through the same channels of trade, therefore, confusion between the two trademarks would likely result to prospective buyers.

This confusion may likewise result to an unfair dealing by having one's business reputation confused with another. This is a confusion of business or origin which is based on cogent reasons of equity and fair dealing. "The owner of a trademark or trade name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public. x x x" (Ang vs Teodoro, 74 Phil. 50)

Finally, the finding of confusion between the contending marks is countenanced by the fact that petitioner's trademark "ZYLET" is deemed registered as of 04 September 2006 with Application or Registration No. 42005003466. Thus, opposer's exclusive right to its registered mark is provided in Section 147.1 of Republic Act No. 8293 which states in part, "The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion."

Anent petitioner's allegation that its mark is well-known, this Bureau finds that petitioner failed to dispense substantial evidence in terms of the knowledge by the relevant sector of the public around the world as well as in the Philippines.

WHEREFORE, premises considered, the Verified Petition for Cancellation is hereby GRANTED. Accordingly, Certificate of Registration No. 4-2007-009201 issued on 07 July 2008 for the trademark "ZYGET" for goods in class 05, namely, pharmaceutical preparations, issued in the name of Getz Brothers Philippines, Inc., is hereby ordered CANCELLED.

Let the file wrapper of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 02 June 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs