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|----------------------------|---|-------------------------------------|
| BAYER AG,                  | } | Inter Partes Case No. 14-2008-00014 |
| Opposer,                   | } | Case Filed: 21 January 2008         |
|                            | } | Opposition to:                      |
| -versus-                   | } |                                     |
|                            | } | Appl'n Serial No. : 4-2006-013750   |
|                            | } | Date filed : 21 Dec. 2006           |
| HEALTH SAVER PHARMA, INC., | } | Trademark : "CIPROBACH"             |
| Respondent-Applicant.      | } |                                     |
| x-----x                    |   | Decision No. 2009- <u>22</u>        |

## DECISION

This is an opposition to the registration of the trademark "CIPROBACH" bearing Application No. 4-2006-013750 filed on December 21, 2006 covering the goods "*pharmaceutical preparations namely ciprofloxacin 500 mg. tablet*" falling under class 5 of the International Classification of goods which application was published in the Intellectual Property Philippines (IPP) E-Gazette, officially released on September 21, 2007.

Opposer in this instant opposition proceedings is "BAYER AG" a corporation duly organized and existing under the laws of the Federal Republic of Germany, with business address at D-51368 Leverkusen, Germany.

On the other hand, Respondent-Applicant is "HEALTH SAVER PHARMA, INC." with business address at No. 132 San Francisco Street, Mandaluyong City.

The grounds of the opposition are as follows:

- "1. Opposer is the originator, true owner and first user of the trademark "CIPROBAY", which is an internationally well-known mark used on pharmaceutical preparations belonging to international Class 5 of the NICE Classification, particularly for anti-infective preparations, having adopted and continuously used the same since February 1984 up to present. Opposer has already developed an exceedingly valuable goodwill worldwide on the mark CIPROBAY, used on exclude in the Philippines, more so if such use is on the same goods.
- "2. The filing of the application for CIPROBACH under Class 50 by the Respondent-Applicant will cause confusion on the part of the consumers or purchasers as it tends to create an impression that its products originate from the Opposer. Confusion as to the Respondent-Applicant's affiliation, connection or association with the Opposer is likewise probable, considering that its mark is similar to Opposer's mark.
- "3. The registration of the trademark CIPROBACH under Class 5, in the name of the Respondent-Applicant will cause irreparable damage and injury to the Petitioner within the contemplation of Section 134 of Republic Act No. 8293, otherwise known as the new Intellectual Property Code of the Philippines.

Opposer relied on the following facts:

- "1. Opposer is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. Its products and services are designed to benefit people and improve their quality of life. In the field of health care, it is a leading developer and manufacturer of various

pharmaceutical preparations for disease prevention, diagnosis and treatment.

- “2. Opposer is the originator, owner and first user of the mark CIPROBAY for pharmaceutical preparations under class 5. Opposer’s first trademark registration for CIPROBAY was obtained in Germany per Certificate of Registration No. 1060240 issued on February 29, 1984. Thereafter, Opposer obtained various certificate of registrations for the said mark worldwide. Attached herewith and made an integral part of this Opposition is the list evidencing the large trademark portfolio of the Opposer for CIPROBAY under Class 5, collectively marked as Exhibit “A”. Likewise attached are copies of the certificate of registration owned by the Opposer for CIPROBAY in Germany, Malaysia, Thailand and South Africa marked as Exhibits “B”, “C”, “D” and “E”.
- “3. In the Philippines, the trademark application for CIPROBAY was filed by the Opposer with the Philippine Patent Office (PPO) on April 4, 1986. Thereafter, Certificate of Registration No. 43520 was issued to the Opposer by the Philippine Patent Office on March 10, 1989 for pharmaceutical preparations under Class 5. Attached herewith and made an integral part of this Opposition is a copy of Certificate of Registration No. 43520 marked as Exhibit “F”.

To maintain its protection over the mark, Opposer was constrained to file a new application before the Bureau of Patents, Trademarks and Technology Transfer (BPTTT) on July 9, 1996. Certificate of Registration No. 4-1996-112022 was issued to the Opposer by the BPTTT for pharmaceutical preparations under Class 5. The registration is valid for a period of twenty (20) years from October 18, 1999. To date this registration is valid and subsisting as evidence by the 10<sup>th</sup> Anniversary Affidavit of Use on September 30, 2005 and duly accepted by the Intellectual Property Office on February 22, 2006. Attached herewith and made an integral parts of this Opposition are Certificate of Registration No. 4-1996-112022 and the 10<sup>th</sup> Anniversary Affidavit of Use for the mark CIPROBAY marked as Exhibit “G” and “H” respectively.

- “4. It is clearly provided in Section 123.1 (e) of the Intellectual Property Code of the Philippines or Republic Act No. 8293, that:

“Section 123. *Registrability.* – 123.1 A mark cannot be registered if it:

x x x

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services. Provided, That in determining whether a mark is a well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained of the promotion of the mark;

- “5. Based on the above-cited provision, Opposer’s mark can be considered as a well-known mark within the contemplation of the law. For a mark to be accorded “well-known status”, it is a requirement that the mark must be considered by competent authority in the Philippines to be well-known not only in the international market but in the Philippines as well. Opposer launched its pharmaceutical preparations for CIPROBAY in various jurisdictions starting 1986. CIPROBAY pharmaceutical preparations were commercially launched in the Philippines in October 1986. Today, CIPROBAY is an internationally known brand of pharmaceutical preparations for the treatment of the infections of the respiratory gastro-intestinal, biliary, urinary tracts, bones and joints. Attached herewith and made an integral part of this Opposition is a list of the various launch dates of CIPROBAY products worldwide marked as Exhibit “I”;
- “6. Admittedly, Opposer’s mark is well-known internationally and in the Philippines. The marks well-known status in the Philippines was due to the bonafide commercial sale of CIPROBAY products in the domestic market since 1986. Opposer had invested a considerable amount in promoting, advertising and marketing its pharmaceutical preparations bearing the mark CIPROBAY in the Philippines through the years. Attached herewith and made an integral part of this Opposition are promotional materials of the Opposer, collectively marked as Exhibit “J”. The promotions resulted in a profitable and sustained sale of CIPROBAY products in the Philippines to date. Attached herewith are the sale figures and the 5-years sales development of CIPROBAY products in the Philippine, from 2003 to September 2007, marked as Exhibits “K” and “L”, respectively.
- “7. Opposer’s pharmaceutical preparations have likewise been advertised significantly in the internet at Opposer’s website: [www.bayer.com](http://www.bayer.com), easily accessible to Filipino consumers and are listed for sale in various websites. Attached herewith and made integral printout of this Opposition is a print-out of Opposer’s official website [www.bayer.com](http://www.bayer.com) marked as Exhibit “M” and the various website offering for sale CIPROBAY products, collectively marked as Exhibit “N”.
- “8. There is really no issue to priority of use. Opposer has been using the mark CIPROBAY in commerce long before Respondent-Applicant filed its application for CIPROBACH with the Intellectual Property Office (IPO) on December 21, 2006. Due to Opposer’s tremendous effort considerable advertising and promotional activities, and of course the superior quality of its CIPROBAY products, Opposer has already established and gained a valuable reputation on the aforesaid mark.
- “9. A close perusal of the two marks would readily show that Respondent-Applicant’s mark is deceptively similar to Opposer’s mark. Thus, Respondent-Applicant’s mark would indubitably create confusion or deceive purchasers as to the actual source or origin of its goods to such extent that the Respondent-Applicant’s goods may be mistaken by the unwary public as related to the products manufactured and sold by Opposer.
- “10. Purchaser are likely to consider the goods of the Respondent-Applicant under the mark CIPROBACH, as emanating from the Opposer and on the thereof purchase Respondent-Applicant’s goods, which would eventually lead to Opposer’s loss of sales. The purchasing public has come to know, rely upon, recognize and depend on the superior quality of the Opposer’s

products bearing the mark CIPROBAY. Ant defect or fault that can be found on Respondent-Applicant's products under the similar mark would injure the valuable goodwill and reputation which the Opposer has long established for its CIPROBAY products.

- "11. The use of the mark CIPROBACH by the Respondent-Applicant on identical goods will also drastically diminish the distinctiveness and dilute the goodwill of the Opposer's CIPROBAY trademark.
- "12. In sum, it is clear from the foregoing that Opposer stands to be prejudiced and damaged should Respondent-Applicant's Application No. 4-2006-013750 for the trademark CIPROBACH under Class 5 be allowed registration. Petitioner has sufficiently proven that it is the originator and first user of the trademark CIPROBAY and is therefore entitled to protection against unauthorized users like herein Respondent-Applicant.

Opposer submitted the following in support of its opposition:

| Exhibit                       | Description  |
|-------------------------------|--|
| Exhibit "A"                   | List evidencing large trademark portfolio of the Opposer for CIPROBAY  |
| Exhibit "B", "C", "D" and "E" | Copies of the certificates of registration owned by the Opposer in Germany, Malaysia, Thailand and South Africa. |
| Exhibit "F"                   | Copy of Certificate of Registration No. 43520  |
| Exhibit "G" and "H"           | Certificate of Registration No. 4-1996-112022 and the 10 <sup>th</sup> Anniversary Affidavit of Use.             |
| Exhibit "I"                   | List of various launch dates of CIPROBAY products  |
| Exhibit "J", "K" and "L"      | Sales Invoices figure and 5 years sales development of CIPROBAY products in the Philippines.                     |
| Exhibit "M"                   | Opposer's official website <a href="http://www.bayer.com">www.bayer.com</a> .                                    |
| Exhibit "N"                   | Various websites offering for sale CIPROBAY products.  |

The Respondent-Applicant failed its verified answer despite notice as well as the affidavit of its witness and any other documents in support of its trademark application being opposed and accordingly, it shall be construed as a waiver to file such affidavit of its witness and documents to be attached thereto, hence the Bureau of Legal Affairs proceed to rendered judgment accordingly on the basis of the documents submitted by the Opposer.

Section 11 of the Summary Rules (Office Order No. 79, Series of 2005), provides:

Section 11. Effects of failure to file an Answer. – In case the Respondent-Applicant fails to file an answer is filed out of time, the case shall be decided on the basis of the Petition or Opposition, the affidavit of the witnesses and documentary evidence submitted by the Petitioner or Opposer.

The issue to be resolved in this particular case is:

WHETHER OR NOT RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK "CIPROBACH".

The applicable provision of law is Section 123.1 (d) of Republic Act No. 8293, which provides:

“Section 123.1. A mark cannot be registered if it:

- “(d) Is identical with a registered mark belonging to a different proprietor or 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 marks as to be likely to deceive or cause confusion;”

The contending trademarks are reproduced below for comparison and scrutiny.

**CIPROBAY**



Opposer's mark

Respondent-Applicant's mark

The contending trademarks consist of three (3) syllables each. The first two (2) syllables are exactly same in *spelling* and *pronunciation*. They differ only on the last syllables, however, this slight distinction will not in any way negate confusing similarity. It is observed that the overall manner of presentation of both trademarks are the same. Both trademarks are written in all capital letters. By short glance of the naked eye, it would seem that the contending trademarks are one and the same.

The determinative factor in a contest involving registration of trademark is not whether the challenge mark would actually cause confusion or deception of the purchasers, but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. In short, to constitute an infringement of an existing trademark and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake, it would be sufficient, for purpose of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it. (American Wire & Cable Company vs. Director of Patents et. al., [31 SCRA 544] [G.R. No. L-26557, February 18, 1970])

It is worthy to note that the Opposer's trademark "CIPROBAY" was also registered with the Intellectual Property Office on October 18, 1999 bearing Registration No. 4-1996-112022 for pharmaceutical preparations specifically anti-infective preparations in Class 5. (Exhibit "G")

The Opposer has not abandoned its trademark or use of its trademark and as proof of its continuous use, affidavit of use on the 10<sup>th</sup> Anniversary was submitted (Exhibit "H").

Considering therefore that the Opposer is a registered owner, its right to exclusive of its registered trademark, if Respondent-Registrant's application be approved, will be in violation of Section 138 of Republic Act No. 8293, which provides:

“Section 138. Certificate of Registration – A certificate registration of a mark shall be prima facie evidence of the validity of the registration, the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the same connection with the goods and services and those that are related thereto specified in the certificate. (Section 20, Republic Act No. 166, as amended)

As previously pointed out, the Respondent-Applicant’s mark is confusingly similar to the registered trademark of the Opposer, hence, the approval of the application in question is contrary to Section 123.1 (d) of Republic Act No. 8293. Likelihood of confusion on the part of the consuming public is bound to occur, as well as confusion of source or origin. Compounding the likelihood of confusion and deception is the fact that the goods upon which Respondent-Applicant’s trademark are to be used are closely related to the goods of the Opposer.

WHEREFORE, with all the foregoing, the opposition is, as it is hereby SUSTAINED. Consequently, Application No. 4-2006-013750 filed on December 21, 2006 by Respondent-Applicant “HEALTH SAVER PHARMA, INC.” for the mark “CIPROBACH” is, as it is hereby REJECTED.

Let the file wrapper of “CIPROBACH”, subject matter of this case together with copy of this DECISION be forwarded to the Bureau of Trademarks (BTO) for appropriate action.

SO ORDERED.

Makati City, 19 February 2009.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs