

BAYER AG,	}	IPC NO. 14-2008-00177
Opposer,	}	Case Filed : 11 August 2008
	}	
- versus -	}	Opposition to:
	}	Appln. No. : 4-2007-014059
SUHITAS PHARMACEUTICALS	}	Date Filed : 20 December 2007
INC.	}	
Respondent-Applicant.	}	Trademark : "ATALAC"
x-----x		Decision No. 2009-47

DECISION

This pertains to a Verified Opposition filed on 11 August 2008 by herein opposer, 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, against the application filed on 20 December 2007 bearing Serial No. 4-2007-014059 for the registration of the trademark "ATALAC" used for goods/service in Class 05 namely, calcium antagonist for the treatment of mild to moderate essential hypertension, which application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 11 April 2008.

The respondent-applicant in this instant opposition is Suhitas Pharmaceuticals Inc., with registered business address at 3/F Centerpoint Building, Pasong Tamo cor. Export Bank Drive, Makati City.

The grounds for the opposition to the registration of the trademark are as follows:

1. Opposer is the originator, true owner and first user of the trademark ADALAT, which is an internationally-known mark, used on pharmaceutical preparations under International Class 5 of the Nice Classification, particularly for cardiovascular preparations, having adopted and continuously used the same since 1955 up to the present. Opposer has developed an exceedingly valuable goodwill worldwide for ADALAT on pharmaceutical preparations.
2. The filing of the application for ATALAC under Class 5 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 the Opposer's mark.
3. The registration of the trademark ATALAC 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 8293, otherwise known as the new Intellectual Property Code of the Philippines."

The allegations of facts are as follows:

1. Opposer is a global enterprise with core competence 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 ADALAT for cardiovascular pharmaceutical preparations under Class 5. Opposer's first

trademark registration for ADALAT was obtained in Germany per Certificate of Registration No. 676042 issued on May 1, 1955. x x x Thereafter, Opposer obtained various certificates of registration for the said mark worldwide. x x x

3. In the Philippines, the trademark application for ADALAT was filed by the Opposer with the Philippine Patent Office (PPO) on July 25, 1969. Thereafter, Certificate of Registration No. 17299 was issued to the Opposer by the Philippine Patent Office on February 25, 1972 for dyestuffs, pharmaceutical preparations and chemical products for industrial and scientific purposes. x x x

To maintain its protection over the mark, Opposer filed a new application before the Intellectual Property Office (IPO) on July 15, 1998. Certificate of Registration No. 4-1998-005134 was issued to the Opposer by the IPO for goods falling under Classes 1, 2 and 5. For Class 5, the goods covered by the registration were cardiovascular pharmaceutical preparations. The registration is valid for a period of ten (10) years from August 24, 2003. To date this registration is valid and subsisting. x x x

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

5. Opposer launched its pharmaceutical preparations for ADALAT in various jurisdictions starting 1955. ADALAT pharmaceutical preparations were commercially launched in the Philippines in June 1999. Today, ADALAT is an internationally known brand of pharmaceutical preparations for the treatment of hypertension and coronary heart disease.

6. Clearly, Opposer's mark is well-known internationally and in the Philippines. The mark's well-known status in the Philippines was due to the bonafide commercial sale of ADALAT products and its derivatives in the domestic market since 1999. Opposer had invested a considerable amount in promoting, advertising and marketing its pharmaceutical preparations bearing the mark ADALAT worldwide including the Philippines. The promotions resulted in a profitable and sustained sale of ADALAT products to date. x x x

7. Opposer's pharmaceutical preparations have likewise been advertised significantly in the internet at Opposer's website: www.bayer.com, easily accessible to Filipino consumers, and are listed for sale in various websites. x x x

8. 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 unwary public as related to the products manufactured and sold by Opposer.

9. Purchasers are likely to consider the goods of the respondent-applicant under the mark ATALAC as emanating from the Opposer and on the basis 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 ADALAT. Any 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 ADALAT products.

10. There is also no issue as to priority of use. Opposer has been using the mark ADALAT in commerce long before respondent-applicant filed its application for ATALAC, Appln. No. 4-2007-14059 filed on December 20, 2007 with the Intellectual Property Office. Due to Opposer's tremendous efforts, considerable advertising and promotional activities, and of course the superior quality of its ADALAT products, Opposer has already established and gained a valuable reputation on the aforesaid mark.

11. The use of the mark ATALAC by the respondent-applicant on identical goods will drastically diminish the distinctiveness and dilute the goodwill of the Opposer's ADALAT trademark.

12. x x x The purpose of our law in protecting trademarks cannot be overemphasized. They are to point out distinctively the origin and ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into the market a superior article or merchandise, the fruit of his industry and skill and to prevent fraud and imposition (*Etepha v. Director of Patents*, 16 SCRA 495). Today, the trademark is not only a symbol of origin and goodwill; it is often the most effective agent for the actual creation and protection of goodwill. In other word, the mark actually sells the goods. The mark has become the "silent salesman". It has become a more convincing selling point than even the quality of the articles to which it refers. (*Mirpuri v. Court of Appeals*, 318 SCRA 516)."

Subsequently, this Bureau issued a Notice to Answer dated 28 August 2008 to herein respondent-applicant's agent, Marilou S. Pagana, requiring the filing of Answer within fifteen (15) days from receipt. The notice was duly received on 05 September 2008 but despite sufficient lapse of time, this Bureau did not receive an Answer nor any motion related thereto from respondent-applicant or its agent. Thence, in accordance to Section 11 of the Office Order No. 79, series of 2005 or the Amendments to the Regulations on Inter-Parte Proceedings, this instant case is deemed submitted for decision on the basis of the opposition and its evidence offered and admitted as follows: Exhibits "F", "G", "H", "K", "P", "Q", "R" and "S". As to other exhibits, they are either photocopies of the original documents or in unofficial language without English translation which are inadmissible in evidence pursuant to Section 7 of Office Order No. 79, series of 2005 or the Amendments to the Regulations on Inter Partes Proceedings which provides that in filing of petition or opposition, certified copies shall be allowed in lieu of the originals, and Section 33 of Rule 132 of the Rules of Court, which provides that documents written in an unofficial language shall not be admitted as evidence, unless accompanied with a translation into English or Filipino, respectively.

The Issues -

- I. Whether or not there is confusing similarity between opposer's registered trademark "ADALAT" and respondent-applicant's applied mark "ATALAC" both covering class 05 goods.
- II. Whether or not opposer's trademark "ADALAT" is a well-known mark.

Section 123.1 (d), R.A. 8293 pr the Intellectual Property Code, provides the criteria for the registration of a trademark, to wit:

"Sec. 123. *Registrability*. – 123.1. A mark cannot be registered if it:

xxx

(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;

xxx”

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 registered trademark “ADALAT” and respondent-applicant’s applied mark “ATALAC”, illustrated hereunder for comparison:



Opposer’s Trademark



Respondent-Applicant’s Trademark

The examination of the foregoing shows that both marks are three syllabicated words, beginning in letter “A” and similarly consisting of median letters “A”, “L” and “A”. The difference in the marks’ spelling is minute which is irrelevant of much distinction when the contending marks are taken in its entirety. Apparent still are the dominant features of complementing fonts and a confusingly similar sound sufficient to cause mistake to ordinary consumers, under the rule of idem sonans as held in the of Sapolin Co. vs Balmaceda, 67 Phil. 795, that confusion is likely to arise between words which when pronounced sounds alike.

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 marks 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.

In so far as the goods covered by the contending marks, it is apparent that the goods are related because they cover pharmaceutical preparations falling under Class 5 of the Nice

Classification of Goods. "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)

It must be emphasized that opposer's mark "ADALAT" is a registered trademark bearing Registration No. 4-1998-005134 with date of registration on 24 August 2003. Thus, opposer's protection find basis 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."

On the second issue of whether or not opposer's mark is well-known, opposer failed to submit eloquent proof to establish that its mark is well-known 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 on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark."

Opposer did not meet the enumerated criteria or any combination thereof of a well-known mark. The evidence consisting of foreign registrations do not show the vast duration, extent and geographical area covered by the same. There is likewise absence of any extensive promotional activity and advertisements in advance of opposer mark's quality-image and reputation.

IN VIEW of all the foregoing, the instant Verified Opposition is, as it is hereby SUSTAINED. Consequently, trademark application bearing Serial No. 4-2007-014059 for the mark "ATALAC" filed on 20 December 2007 pharmaceutical preparations indicated for the treatment of mild to moderate essential hypertension is, as it is hereby, REJECTED.

Let the file wrapper of "ATALAC", 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, 13 April 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs