

BEECHAM GROUP, P.L.C,
Opposer,
- versus -

IPC 14-2007-00057

ALDRIL PHARMACEUTICALS INC.,
Respondent-Applicant.

Opposition to:
TM Application No. 4-2005-009692
(Filing Date: 26 September 2005)

TM: "AUGURCIN"

x-----x

Decision No. 07-141

DECISION

This pertains to an Opposition filed on 07 March 2007 by herein opposer, BEECHAM GROUP, P.L.C., a corporation duly organized under the laws of the United Kingdom, with place of business at Beecham house, Great West Road, Brentford Middlesex, England, against the application filed on 30 September 2005 bearing Serial No. 4-2005-009692 for the registration of the trademark "AUGURCIN" used for goods in Class 05, of the Nice Classification of Goods for pharmaceuticals, namely, antibacterial, which application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 10 November 2006.

The respondent-applicant in this instant opposition is Aldril Pharmaceuticals Inc., with address on record at No.26 Timog Ave. cor. Sct. Tobias, Quezon City.

The following are the opposer's grounds in support of its instant opposition and the allegation of facts, in sum, to wit:

1. The trademark AUGURCIN nearly resembles opposer's AUGMENTIN trademark, with Registration No. 053189 issued on August 7, 1992, as to be likely to deceive or cause confusion, pursuant to Section 123 (d) of the Intellectual Property (IP) Code, in terms of spelling, syllabication and pronunciation. Both AUGURCIN and AUGMENTIN consist of three (3) Syllables with the same prefix AUG and the same suffix IN. Thus, the two trademarks have similar pronunciation.
2. Opposer's Trademark Application Search No. 053189 was filed on 13 December 1989 which matured into Registration No.053189 on August 7, 1992. Respondent-applicant's Trademark Application No. 4-2005-009692 was filed on 30 September 2005.
3. The trademark AUGURCIN designates antibacterial pharmaceutical goods in class 5 just as opposer's AUGMENTIN trademark designates antibiotics and anti-infective preparations and substances in class 5.
4. Due to resemblance of the AUGURCIN and AUGMENTIN trademarks and the similarity of the goods they respectively designate, respondent-applicant's use of AUGURCIN mark is likely to mislead the public into believing that's its goods originated from opposer, or that opposer's goods came from respondent-applicant. It will falsely and misleadingly suggest a connection between it and its goods, on the one hand, and opposer and opposer's goods bearing the AUGMENTIN mark, on the other hand.

5. Opposer's trademark is internationally well-known and is likewise well-known in the Philippines, which is protected under Section 123 (e) of the IP Code.

6. The interest of opposer, as the owner of the registered trademark AUGMENTIN and a well-recognized leader in pharmaceutical industry will be damaged and prejudiced by the continued use and adoption by respondent-applicant of the trademark AUGURCIN.

7. Opposer likewise owned Registration No. 5149 in the Supplemental Register dated December 29, 1980.

8. Opposer has registered and/or applied for the registration of the trademark AUGMENTIN all over the world. To date, opposer has active registrations and applications for AUGMENTIN in approximately 149 jurisdictions.

9. The opposer invests heavily in promoting the trademark AUGMENTIN worldwide, earning the trademark an international reputation in the pharmaceutical industry.

10. The product for which the trademark AUGMENTIN is used is sold in various drugstores all over the country. It is well-known in the local market, having been present since 1991. As of October 2006, sales of the AUGMENTIN product for the year 2006 had reached Php 775,335,196.

Respondent-applicant's answer dated 02 April 2007 admitted paragraph 1 of the opposition, except its last three sentences/regarding the alleged damage by reason of the allowance of registration. It denied all other allegation in the said opposition.

Moreover, respondent-applicant enunciated affirmative defenses, which in the sum, are provided as follows:

1. In several cases, the Supreme Court held that confusion of marks Involving pharmaceutical products is remote considering that purchase start with the diagnosis/prescription of a doctor, the dispensing obligation of a pharmacist in a drug store and the final check by the buyer itself. It should be noted that because of the generics law, pharmaceutical products are to be prescribed by generic name with the preferred brand name playing second fiddle.

2. The mark of the opposer is AUG-MEN-TIN while the mark the respondent is AU-GUR-CIN. Although both marks consist of three (3) syllables, they not pronounced in the same way. The Supreme Court observed that it is common in the pharmaceutical field that marks are fabricated that is suggestive to the ailments intended to be cured. In this line of practice, the records of this Honorable Office will show that antibiotic products are generally sold with the phonetic sound "SIN" or "TIN" as the last syllable.

3. The boxes alone as used in commerce (Annexes "A-9" and "A-10 for the opposer and the respondent) significantly show the following differences: (A) In opposer's box, the mark GSK are clear; (b) In respondent-applicant's box, the mark ALDRIL are shown four (4) times showing that it is selling its AUGURCIN products by announcing to the whole world that it is ALDRIL that is distributing the said product and not Beecham. The difference in the trade names used will negate confusion.

Special Affirmative defenses are likewise set forth, to wit:

1. The affidavit of Atty. Gilbert Reyes, Certifying to the fact that photocopies attached thereto as faithful reproduction of originals is questionable as it was not established under what circumstances his law office become the custodian of the said documents.

2. The verification/certification against forum shopping was executed by one Rick Gain in behalf of opposer Beecham Group, PLC of England. The authority of said Gain to execute the said documents was derived form an alleged Power of Attorney issued to a certain Teresa H. Anzalone to file opposition cases and to swear to any affidavits and declaration in support thereof. It further reveals that Anzalone was also authorized to appoint her agent. This second agent, as it is, is void under our laws on agency. Thus, Anzalone who is the agent Beecham to sign the required Verification/certification against forum shopping can not avoid Rick Gain as a second agent – to sign the said documents. Thus, the execution of the verification/certification against forum shopping by Rick Gain was made without authority from the opposer.

3. Moreover, the signatories of the said Power of Attorney in favor of Anzalone issued by Beecham Group doubtful on the ground that the signatories thereof are (a) Richard Stephens in behalf of Glaxo Group and (b) Lorraine Day in behalf of Edinburgh Pharmaceuticals.

Verily, pursuant to Office Order No. 79, Series of 2005 or the Amendments to the Regulation on Inter-Partes proceedings, opposer through its counsel, submitted Exhibits “A”, “A-1”, “A-3” to “A-10”, “B”, “B-1” to “B-22”. Respondent Applicant likewise submitted Exhibits “1” and “2” in compliance to the same.

The issue –

WHETHER OR NOT THERE IS CONFUSING SIMILARITY
BETWEEN OPPOSER’S REGISTERED TRADEMARK
“AUGMENTIN” AND RESPONDENT-APPLICANT’S “AUGURCIN”,
BOTH COVERING CLASS 5 GOODS.

Section.123.1 (d) of the intellectual Property Code or R.A 8293 provides the certain for the registration of a trademark. To wit:

“Sec.123. *Registrability*. - 123.1 A 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.)

xxx

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. vs Court of appeals, 224 SCRA 437; Co Tiong vs Director of Patents, 95 Phil. 1; Lim Hoa vs director of patents, 100 Phil. 214; America Wire & Cable Co. vs director Patents, 31 SCRA 544; Philippines Nut Industry, Inc. vs Standard Brands, Inc., 65

SCRA 575; Converse Rubber Corp. vs Universal Rubber Products, Inc., 147 SCRA 154; and the *Holistic Test* developed in *Del Monte corporation vs Appeals*, 181 SCRA 410; *Mead Johnson & Co. vs N.V.J. Van Dorp, Ltd.*, 7 SCRA 771; *Fruit of the Loom, Inc. vs Court of Appeals*, 133 SCRA 405.

As its title implies, the Test Of dominancy focuses on the similarity of the prevalent features, or the main, essential and dominant features of the competing trademarks which might causes confusion or deception.

The Holistic Test on the other hand, requires that the entirety on the marks in question be considered revolving confusing similarity. Comparison of words is not the only determining factor. In the case of *Mighty Corporation vs E & J Gallo Winery*, 434 SCRA 473, "the discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other.

The Honorable Supreme Court has consistently relied on the *Dominancy Test* in determining questions of infringement of trademark. Thus, in the land mark case of *Mc Donald's Corporation vs LC Big Mak*, 437 SCRA 10, it was ruled that:

"This Court, however, has relied on the dominancy test rather than the holistic test. 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. Court considers 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."

The test of dominancy is now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code which defines infringement as the "colorable imitation of a registered mark x x x or a dominant feature thereof."

Now, 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 attract and catch the eye of the ordinary consumer.

Relatively, in *Marvex Commercial Co. Inc. vs Petra Hawpia & Co.*, 18 SCRA 1178, the Supreme Court held:

"The following random list of confusingly similar sounds in the matter of trademarks, culled from *Nims, Unfair Competition and Trade Marks*, 1947, vol.1, will reinforce our view that "SALONPAS" and "LIONPAS" are confusingly similar in sounds: "Gold Dust" and "Gold Drop", "Jantzen" and "Jazz-Sea"; "Silver-splash" and "Supper-Flash"; "Cascaret" and "Celborite", "Celluliod" and "Cellunite", "Charteuse" and "Charseurs", "Cutes" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and "Femetex"; "Zuso" and "Hoo-hoo" Leon Amdur, In his book "Trademark Law and Practise", pp.419-421, cites, as coming within the purvies of the idem sonans rule. "Yusea" and "U-C-A", "Steinway Pianos" and "Steinberg Pianos" and "Seven-Up" and "Lemon-Up". In *Co Tiong vs. Director of Patents*, this Court unequivocally said that "Celdura" and "Condura" are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 that the name

"Lusolin" is an infringement of the trademark "Sapolin", as the sound of the two names is almost the same.

Thus, in the instant case, this Bureau finds several dominant features in the competing trademarks to cause the likelihood of confusion. *First*. This Bureau noted the visual and aural similarities between the marks. Both marks consist of three syllables with the same prefix "AUG", and the identical ending two-letters "IN". The difference only exists in the middle syllables of the two words.

Therefore, the contending marks when pronounced sounds almost alike which is the application of *idem sonans rule* as held in the case of Sapolin Co. vs Balmaceda, 67 Phil. 795, that confusing is likely to arise between words which when pronounced sounds like.

Second. The contending marks cover the same classification of goods. It cannot be ignored that both products have the same generic word "CO-AMOXICLAV" and scientifically, is a combination of "amoxicillin" and "clavulanic acid". Practically, both pharmaceutical products serve the same purpose. While this bureau will agree with the observation of respondent-applicant as regards the contending mark's boxes made available to the market, what however appears as more evident is the striking resemblance of the whole packaging and the fonts of the generic name Co-amoxiclav, the contending marks AUGURCIN and AUGMENTIN, both being powder for suspension and antibacterial. (Exhibit "A-9" and "A-10").

In summary, the possibility that confusion will take place is very possible. A comparison of both products shows that they sporting similar dominant features and are marketed serving the same remedy. Both sample boxes prominently display the generic name "CO-AMOXICLAV" in a similar block type style lettering encased in a rectangle, with their brand names underneath, and the word ANTI-BACTERIAL still further underneath. Moreover, both products are a combination of "amoxicillin" and "clavulanic acid" as indicated in the packaging of both parties. (Exhibit "A-9" and "A-10", sample boxes of AUGMENTIN and AUGURCIN, respectively. Furthermore, these products flow through the same channels of trade of in drugstore. A customer who was unable to purchase AUGMENTIN would probably get AUGURCIN perceiving its same benefits in an ailment or probably, that it originates from the same source as the other. Under these circumstances, the damage that can be incurred by the opposer to the business it has created since its application and the subsequent issuance of registration in its favor way back in 1992 is not far-fetched. This is the intention and spirit of the law on trademark in according protection to the trademark owner.

Again, jurisprudence has not disregard the fact that difference in contending marks still exist. But these differences appear insignificant by reason of evident similarity in the dominant feature and the overall appearance of the marks. As a matter of fact, consider the following;

"It is not necessary, to constitute trademark 'infringement', that every word of a trade mark should be appropriated ,but it is sufficient that enough be taken to deceive the public in the purchase of a protected article" (Bunte Bros. vs Standard chocolates, D.C.Mass,45 F.Supp.478,481).

"Infringement of trade-mark does not depend on the use of identical words, not on the question whether they are so similar that a person looking at one would be deceive into the belief that it was the other, it being sufficient if one mark is so like another in form, spelling, or sound that one with not a very definite or clear recollection as to the real mark is likely to be confused or misled." (Northam Warren Corporation vs. Universal Cosmetics C.C.C.A., III 18 F. 2d 714, 775) (Philippines Nut Industry, Inc. vs. Standard Brands Incorporated, 65 SCRA 575)

Respondent's documentary evidence (Exhibits "1" and "2") did not prove its better right over the opposer nor disprove the superior right of opposer over the product. The allegations

therein are not supported by any law no jurisprudence. Moreover, this Bureau finds the verifications and the certifications against forum Shopping is in accordance to law, particularly the law on agency (Article 1697, New Civil Code of the Philippines). However, with respect to opposer's that its mark is of well-known status, this Bureau is not convinced. It is a basic rule that opposer has the onus probandi in establishing and proving that its mark is well-known internationally and in the Philippines.

In the instant case, 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 Regulation 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 use 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 marls 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 submitted namely, Exhibits "A-1", "A-3", "B-1" to "B-22" showing world wide registrations, the promotional materials (Exhibits "A-4" to "A-7"), and the sales figures in the Philippines alone(Exhibit "A-8") cannot vest a status of well-known mark. It bears stressing that the alleged promotion and advertisements do not directly show the duration, extent and to prove that it is internationally well-known.

WHEREFORE, premises considered the Notice of Opposition filed by Beecham Group, P.L.C is, as it is, hereby SUSTAINED. Accordingly, application Serial No. 4-2005-009692 filed by respondent-applicant, Aldril Pharmaceutical Inc. on 30 September 2005 for the mark "AUGURCIN" under Class 5, is hereby REJECTED.

Let the file wrapper of "AUGURCIN", subject matter of this case, be forwarded to the Bureau of Trademarks for appropriate action in accordance with this decision.

SO ORDERED.

Makati City, 28 September 2007

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office