

BIOFEMME, INC.,
Opposer,

IPC No. 14-2008-00202
Case Filed: 08 Sept. 2008

Opposition to:

Appl'n Serial No.: 4-2007-500539
Date Filed: 23 July 2007
Trademark: "FLUSYD"

- versus -

HELSIN HEALTHCARE S.A.,
Respondent-Applicant,
x-----x

Decision No. 2009-86

DECISION

This is a VERIFIED OPPOSITION filed by Opposer Biofemme, Inc. to the application for registration of the mark "FLUSYD" bearing Application Serial No. 4-2007 -500539 filed on July 23, 2007 by Respondent-Applicant Helsinn Healthcare S.A. for goods under Class 05, namely, "dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; materials for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides; herbicides; anti-inflammatory drugs" which application was published for opposition in Page 03 the Intellectual Property Philippines (IP Philippines) E-Gazette that was officially released for circulation on May 09 2008.

Opposer is a domestic corporation organized and existing under the laws of the Republic of the Philippines with principal office address at 2nd floor Bonaventure Plaza, Greenhills, San Juan City. Respondent-applicant is a corporation organized and existing under the laws of Switzerland with principal address at Via Pian Scairolo 9, 6912 Lugano, Switzerland.

The grounds for opposition are as follows:

1. The trademark "FLUSYD" so resembles "FUNCID" trademark owned by Opposer, registered with this Honorable Office prior to the publication for opposition of the mark "FLUSYD". The trademark "FLUSYD", which is owned by Respondent, will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed trademark "FLUSYD" is applied for the same class of goods as that of trademark "FUNCID", i.e. Class (5).

2. The registration of the trademark "FLUSYD" in the name of the Respondent will violate Sec. 123 of Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines", which provides, in part, that a mark cannot be registered if it:

"(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 service, or
- (iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion; (Emphasis supplied)"

Under the above-quoted provision; any mark which is similar to a registered mark shall be denied registration in respect of similar or related goods or if the mark applied for nearly resembles a registered mark that confusion or deception in the mind of the purchases will likely result.

3. Respondent's use and registration of the trademark "FLUSYD" will diminish the distinctiveness and dilute the goodwill of Opposer's trademark "FUNCID".

Opposer relies on the following discussions to support its opposition:

4. Opposer, the registered owner of the trademark "FUNCID", is engaged in the marketing and sale of a wide range of pharmaceutical products. The Trademark Application for the trademark "FUNCID" was filed with the Intellectual Property Office ("IPO") by ADENPHAR, INC. ("Adenphar"), an affiliate of herein Opposer, on 2 March 2001 and was approved for registration on 28 September 2003, valid for a period of ten (10) years or until 28 September 2013. A copy of the Certificate of Registration Number 42001001512 for the trademark "FUNCID" is hereto attached as Annex "B". On 13 March 2007, Adenphar assigned the ownership of the trademark "FUNCID" to herein Opposer. A copy of the Assignment of Registered Trademark is hereto attached as Annex "C". The registration of the "FUNCID" trademark subsists and remains valid to date.

5. The trademark "FUNCID" has been extensively used in commerce in the Philippines.

5.1 Opposer dutifully filed Declaration of Actual Use pursuant to the requirement of law, to maintain the registration of "FUNCID" in force and effect. A copy of the Declaration of Actual Use filed by Opposer is hereto attached as Annexes "D".

5.2 A sample of product label bearing the trademark "FUNCID" actually used in commerce is hereto attached as Annex "E".

5.3 In order to legally market, distribute and sell these pharmaceutical preparations in the Philippines, we registered the products with the Bureau of Food and Drugs (BFAD). A copy of the Certificate of Product Registration issued by the BFAD for the mark "FUNCID" is hereto attached as Annex "F".

6. There is no doubt that by virtue of the prior filing and registration of the mark "FUNCID", the Opposer has acquired an exclusive ownership over the "FUNCID" mark to the exclusion of all others.

7. "FLUSYD" is confusingly similar to "FUNCID"

7.1 There are no set rules that can be deduced in particularly ascertaining whether one trademark is confusingly similar to, or is a colorable imitation of, another. Nonetheless, jurisprudence provides enough guidelines and tests to determine the same.

7.1.1 In fact, in *Societe Des Produits Nestle, S.A. v. Court of Appeals* [356 SCRA 207, 216,] the Supreme Court, citing *Ethepa v. Director of Patents*, held "[i]n determining if colorable imitation exists, jurisprudence has developed two kinds of tests - the Dominancy Test and the Holistic Test. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception and thus constitute infringement. On the other side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity."

7.1.2 It is worthy to note at this point that in *Societe Des Produits Nestle, S.A. v. Court of Appeals* [Supra, p. 221] the Supreme Court held "[T]he totality or holistic test only relies on visual comparison between the two trademarks whereas the dominancy test relies not only on the visual but also on the aural and connotative comparisons and overall impressions between the two trademarks."

7.1.3 Relative thereto, the Supreme Court in *McDonalds' Corporation v. L.C. Big Mak Burger, Inc.* [437 SCRA 10] held

“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. Courts will consider 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.

Thus, in the 1954 case of *Co Tiong Sa v. Director of Patents*, the Court Ruled:

. . . It has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Similarity in size, form and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place. Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate. (*G. Heilman Brewing Co. v. Independent Brewing Co.*, 191 F., 489, 495, citing *Eagle White Lead Co. v. Pfugh* (CC) 180 Fed. 579). The question at issue in cases of infringement of trademarks is whether the use of the marks involved would be likely to cause confusion or mistakes in the mind of the public or deceive purchasers. (*Auburn Rubber Corporation v. Honover Rubber Co.*, 107 F. 2d 588; ...) (Emphasis supplied.)

7.1.4 Applying the dominancy test, it can be readily concluded that the trademark “FLUSYD”, owned by Respondent, so resembles the trademark “FUNCID”, that it will likely cause confusion, mistake and deception on the part of the purchasing public.

7.1.4.1 First, “FLUSYD” sounds the same as “FUNCID”;

7.1.4.2 Second, the appearance of the mark “FLUSYD” is almost the same as that of “FUNCID”;

7.1.4.3 Third, both marks are composed of two (2) syllables;

7.1.4.4 Fourth, the first syllable of both marks has the same emphasis “UH”;

7.1.4.5 Fifth, the second syllable of marks has the same sound “CID” and “SYD”;

7.1.5 Clearly, the Respondent adopted the dominant features of the Opposer’s mark “FUNCID”;

7.1.6 As further ruled by the High Court in *McDonalds’ case* [p.33]

“In short, aurally the two marks are the same, with the first word of both marks phonetically the same, and the second word or both marks phonetically sound the same, and the second word of both marks also phonetically the same. Visually, the two marks have both two words and six letters, with the first word of both marks having the same letters and the second word having the same first two letters. In spelling, considering the Filipino language, even the last letters of both marks are the same.

“The Court has taken into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity.”

7.2 The trademark “FUNCID” and Respondent’s trademark “FLUSYD” are particularly identical marks in sound and appearance that they leave the same commercial impression upon the public.

7.2.1 Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed trademark "FLUSYD" is applied for the same class and goods as that of trademarks "FUNCID", i.e. Class (5); to the Opposer's extreme damage and prejudice

7.3 Yet, Respondent still filed a trademark application for "FLUSYD" despite its knowledge of the existing trademark registration of "FUNCID" which is confusingly similar thereto in both its sound and appearance.

8. Moreover, Opposer's intellectual property right over its trademark is protected under Section 147 of Republic Act No. 8293, otherwise known as the Philippine Intellectual Property Code ("IP Code"), which states:

"The owner of a registered mark shall have the exclusive right to prevent all parties not having the owner's consent from using in the course of trade identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion." [Emphasis supplied]

9. To allow Respondent to continue to market its products bearing the "FLUSYD" mark undermines Opposer's right to its marks. As the lawful owner of the marks "FUNCID", Opposer is entitled to prevent the Respondent from using a confusingly similar mark in the course of trade where such would likely mislead the public.

9.1 Being the lawful owner of "FUNCID", Opposer has the exclusive right to use and/or appropriate the said marks and prevent all third parties not having its consent from using in the course of trade identical or similar marks, where such would result in a likelihood of confusion.

9.2 By virtue of Opposer's ownership of the trademark "FUNCID", it also has the right to prevent third parties, such as Respondent, from claiming ownership over Opposer's marks or any depiction similar thereto, without its authority or consent.

9.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks which the Supreme Court cited in McDonald's Corporation, McGeorge Food Industries, Inc. v. LC. Big Mak Burger, Inc., 437 SCRA 268 (2004), it is evident that the mark "FLUSYD" is aurally confusingly similar to Opposer's mark "FUNCID".

9.4 To allow Respondent to use its "FLUSYD" mark on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the "FLUSYD" products of Respondent originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the "FUNCID" products of Opposer, when such connection does not exist.

9.5 In any event, as between the Respondent, a newcomer, which by the confusion loses nothing and gains patronage unjustly by the association of its products bearing the "FLUSYD" mark with the well-known "FUNCID" mark, and the first user and actual owner of the well-known mark, Opposer, which by substantial investment of time and resources and by honest dealing has already achieved favor with the public and already possesses goodwill, any doubt should be resolved against the newcomer, Respondent, considering that Respondent, as the latter entrant in the market had a vast range of marks to choose from which would sufficiently distinguish its products from those existing in the market.

10. The registration and use of Respondent's confusingly similar mark on its goods will enable the latter to obtain benefit from Opposer's reputation and goodwill and will tend to deceive and/or confuse the public into believing that Respondent is in any way connected with the Opposer.

11. Likewise, the fact that Respondent seeks to have its mark “FLUSYD” registered in the same class (Nice Classification 5) as the trademark “FUNCID” of Opposer plus the fact that both are for treatment of the skin will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

12. Thus, Opposer’s interests are likely to be damaged by the registration and use of the Respondent of the trademark “FLUSYD”. In support of the foregoing, the instant Opposition is herein verified by Ms. Susan Yumul which likewise serves as her affidavit (*Nasser v. Court of Appeals*, 191 SCRA 783 [1990]).

Together with the Verified Opposition, Opposer submitted the following pieces of evidence:

Annex	Description
“A”	List of trademarks published for opposition by the IPO E-Gazette
“B”	Certificate of Registration for the mark FUNCID by the IPO
“C”	Assignment of the registered trademark FUNCID to Biofemme, Inc.
“D”	Affidavit by Mrs. Susan F. Yumul of declaration of actual use of the mark
“E”	Sample packaging of “FUNCID” antifungal cream
“F”	Certificate of Product Registration by BFAD of “FUNCID”

A Notice to Answer was issued to and received by Respondent-Applicant on 10 October 2008. However, despite of having received the notice, Respondent-Applicant failed to file its answer. Therefore, due to Respondent-Applicant’s failure to file an answer within the reglementary period it is deemed to have waived its right to file the same and the case shall be decided on the basis of the opposition, the affidavits of the witnesses and the documentary evidence submitted by the Opposer in accordance with Section 11 of the Regulations On Inter Parties Proceedings.

The issues to be resolved in this case are:

1. Whether or not there is confusing similarity between respondent-applicant’s mark “FLUSYD” and opposer’s mark “FUNCID”; and
2. Whether respondent-applicant is entitled to the registration of the mark “FLUSYD”.
A side-by-side comparison if the competing marks are provided below:

FLUSYD	Funcid
Respondent-applicant’s mark	Opposer’s mark

In ruling upon issues of confusing similarity, the Supreme Court uses two tests: the Dominancy Test and the Holistic Test. Of the two tests, however, the Dominancy Test has been consistently relied upon (*McDonald’s Corporation v. LC Big Mak*, G.R. No. 143993, August 18, 2004).

Jurisprudence states, “that whether or not a trademark causes confusion and is likely to deceive the public is a question of fact which is to be resolved by applying the ‘test of dominancy’, meaning, if the competing trademark contains the main or essential or dominant features of another by reason of which confusion and deception are likely to result, then infringement takes place; that duplication or imitation is not necessary, a similarity in the

dominant features of the trademarks would be sufficient.” (Philippine Nut Inc. v. Standard Brands Incorporated et al., 5 SCRA 575; Co Tiong Sa v. Director of Patents, 94 Phil 1).

Applying the Dominancy Test, respondent-applicant’s mark “FLUSYD” is confusingly similar to opposer’s mark “FUNCID” because the former reproduces the main or essential features of the latter. First, both marks have two syllables and are phonetically the same. When spoken, they are pronounced with near identical sounds which are surely likely to deceive the buying public. Second, the variation in spelling is of no consequence. Both marks are pronounced identically. When spoken, “SYD” of respondent-applicant mark, is essentially the same as that of Opposer’s “CID.” Also, the arrangement in the letters of the former’s mark is “LU”, whereas the letters “UN”, is also irrelevant. This is because “FLUSYD” merely borrows the dominant feature of “FUNCID” beginning with the letter “F” and ending with “CID”. Third, to the untrained eye, both marks appear dangerously similar. Both utilize the same plain font and layout which is merely differentiated in capitalization; “FLUSYD” does not incorporate any unique design in the letters.

As previously held, “‘APRON’ and ‘ARPON’, when the two words are pronounced, the sound effects are confusingly similar. At first glance the two marks even appear to be exactly the same, which can mislead a customer who merely gives the products a cursory glance. Both trademarks also cover similar goods. As such, both products flow through the same channels of trade, therefore, confusion between the two trademarks is likely to result in the minds of the prospective buyers (Novartis AG v. Tejera y Olivares, S.A., IPC Decision 2002-45 Dater December 27, 2002). Thus, it is insubstantial to assert that creating a new arrangement of the letters in the syllables will constitute substantial differences such that the public will not be misled into mistaking the two products for each other.

The decisive factor is not whether the challenged mark would actually cause confusion or deception but whether the use of such would likely confuse or deceive the public. In other words, it is sufficient that there is a possibility or likelihood of mistaking the newer brand for the older one. It is unnecessary that said mark actually cause confusion or deception.

Under the law, “a trademark is designed to identify the user. It should be so distinctive and sufficiently original as to enable those who come into contact with it to recognize instantly the identity of the user. It must be affirmative and definite, significant and distinctive, capable to indicate the origin.” (Philippine Refining Co, Inc., v. Dir. Of Patents and Sparklets Corp v. Walter Kidde Sales Co., 104 F. 2d 396).

As to the first issue, thus, this Bureau rules in the affirmative.

Opposer’s registered mark “FUNCID” is for “antifungal pharmaceutical preparation” while respondent-applicant’s mark “FLUSYD” is being applied for “dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; materials for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides; herbicides; anti-inflammatory drugs” Apparently, then, while opposer’s products are used to treat skin infections / fungi, respondent-applicant’s products are more varied but it is noted that “plasters / materials for dressings”, “fungicides” and “anti-inflammatory drugs” are included therein. Anti-fungal pharmaceutical preparations destroy or inhibit the growth of bacteria on the skin. Fungicides essentially have the same function. Meanwhile, materials for dressings on the skin may be used to cleanse, disinfect, or sanitize, among others, skin infections. Anti-inflammatory drugs may refer to drugs that reduce / treat inflammation, swelling, or tenderness, among others, skin infections (Dictionary. Com). Thus, the respective pharmaceutical products of the parties have the same or related descriptive properties and / or serve the same purpose.

Two competing marks representing related goods and sharing a common source of origin are likely to confuse the public. It has been held that “goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality.

They may also be related because they serve the same purpose or are sold in grocery stores.” (2 Callman, Unfair Competition and Trademarks, p. 1257).

In this instance, the pharmaceutical products of the parties flow through the same channels of trade. They are displayed and offered for sale in drug stores with great chances that they will be placed or displayed in the shelves side-by-side. Hence, unwary consumers browsing in the same stores will be easily misled that they originate from or are in some way associated with the same producer. There may be, then, likelihood of confusion of business (McDonald’s Corporation et al. v. L.C. Big Mak Burger, Inc., et al., supra.; Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, G.R. No. L-19906, April 30, 1969).

Opposer has secured a registration for the mark “FUNCID” on September 28, 2003 as evidenced by Certificate of Registration Number 4-2001- 001512.

In this regard, Section 138 of the IP Code provides:

“A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant’s ownership of the mark, and the registrant’s exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.”

Moreover, Section 123.1 (d) of the IP Code provides among other:

“A mark cannot be registered if it:

(d) Is identical with a registered mark belonging to a different proprietor ..., in respect of:

- i. The same goods... or
- ii. Closely related goods... or
- iii. If it nearly resembles such a mark as to be likely to deceive or cause (Underscoring supplied.)

Thus, by virtue of opposer’s certificate of registration, a presumption arises that opposer is the owner of the mark “FUNCID” the confusing similarity of which to the mark “FLUSYD” has been ruled herein. In view thereof, respondent-applicant’s mark “FLUSYD” may not be registered as it nearly resembles opposer’s mark “FUNCID” which is already registered in favor of opposer, as to be likely to deceive or cause confusion.

WHEREFORE, the VERIFIED OPPOSITION is, as it is, hereby SUSTAINED. Consequently, Application Serial No. 4-2007-500539 filed on July 23, 2007 by Respondent-applicant Helsinn Healthcare S.A. for goods under Class 05, namely, “dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; materials for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides; herbicides; anti-inflammatory drugs” is, as it is hereby, REJECTED.

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

SO ORDERED.

Makati City, 06 July 2009.

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