

BIOMEDIS, INC,	}	Inter Partes Case No. 14-2008-00338
<i>Opposer,</i>	}	Case filed : 02 December 2008
	}	Opposition to:
	}	
-vs-	}	Appl'n. Serial No. : 4-2008-001371
	}	Date Filed : 05 February 2008
	}	Trademark : "MERO"
YSS LABORATORIES CO., INC.	}	
<i>Respondent-Applicant.</i>	}	
x-----x		Decision No. 2009-116

DECISION

This pertains to the opposition to the registration of the mark "MERO" bearing Application Serial No. 4-2008-001371 filed on 05 February 2008 covering the goods "*powder for I.V. Injection anti-bacterial primarily for the treatment of respiratory tract infection, skin infection and others*" falling under class 05 of the International Classification of goods which trademark application was published for opposition in Intellectual Property Philippines (IPP) Electronic Gazette (E-Gazette), which was officially released for circulation on 03 October 2008.

The Opposer in the instant opposition is "BIOMEDIS, INC.," a corporation duly organized and existing under and by virtue of the Philippines with business address located at 750 Shaw Boulevard, Mandaluyong City.

On the other hand, the Respondent-Applicant is "YSS LABORATORIES, COMPANY, INC." a domestic corporation with principal address at 1133 United Nations Avenue, Paco, Manila.

The grounds of the opposition are as follows:

- "1. The trademark "MERO" so resembles "MEROP" trademark owned by Opposer, which was applied for registration with this "Honorable Office prior to the application of the mark "MERO". The trademark "MERO", which is owned by Respondent-Applicant, will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed trademark "MERO" is applied for the same class of goods as that of the trademark "MERO", i.e. Class (5); antibacterial.

- "2. The registration of the trademark "MERO" in the name of the Respondent-Applicant will violate Section 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 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;"

Under the above-quoted provision, any mark which is similar to a mark with an earlier filing 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 purchasers will likely result.

- “3. Respondent-Applicant’s use and registration of the trademark “MERO” will diminish the distinctiveness of Opposer’s trademark “MEROP”.

Opposer relied on the following in support of its opposition:

- “4. Opposer, the owner of the trademark “MEROP”, is engaged in the marketing and sale of a wide range of pharmaceutical products. The Trademark Application for the trademark “MEROP” was filed with the Intellectual Property Office on 09 January 2008 by Opposer. Attached is a notice of allowance marked as Annex “A”.

- “5. There is no doubt that by virtue of the prior filing of the application, the Opposer has acquired an exclusive ownership over “MEROP” mark to the exclusion of all others.

- “6. “MERO” is confusingly similar to “MEROP”.

6.1 There is no set of 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.

6.1.1 In fact, in *Societe Des Produits Nestle S.A. vs. Court of Appeals* [356 SCRA 207, 216] the Supreme Court, citing *Etapha vs. Director of Patents*, held “[i]n determining if colorable imitation exists, jurisprudence has developed two kinds of tests – 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.

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

6.1.3 Relative thereto, the Supreme Court in *Mc Donald’s Corporation vs. .C. Big Mak Burger, Inc.*, [147 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 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 vs. 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 take 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., vs. Independent Brewing Co.*, 191 F., 489, 495, citing *Eagle White Lead Co., vs. Pflugh* (CC) 180 Fed. 579). The question at issue in cases of infringement of trademark 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 vs. Honover Rubber Co.*, 107 F. 2d 588;) (Emphasis Supplied.)

xxx”

- 6.1.4 Applying the dominancy test, it can be readily conclude that the trademark “MERO” owned by the Respondent-Applicant, so resembles the trademark “MEROP”, that it will likely cause confusion, mistake and deception on the part of the purchasing public.
 - 6.1.4.1 First “MERO” appears and sounds almost the same as “MEROP”;
- 6.1.5 Clearly, the Respondent-Applicant adopted the dominant features of the Opposer’s mark “MEROP”;
- 6.1.6 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 of both marks also phonetically the same. Visually, the two marks have both 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 effect of the words and letters contained in the marks in determining the issue of confusion similarity.”

- 6.2 The trademark “MEROP” and Respondent’s trademark “MERO” are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.
- 6.2.1 Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed trademark “MERO” is applied for the same class and goods as that of trademarks “MEROP”, i.e. Class (5), to the Opposer’s extreme damage and prejudice.
- “7. To allow Respondent to continue to market its products bearing the “MERO” mark undermines Opposer’s right to its marks. As the lawful owner of the mark “MEROP”, 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.
- 7.1 Being the lawful owner of “MERO”, 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.
- 7.2 By virtue of Opposer’s ownership of the trademark “MEROP”, 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.
- 7.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks which the Supreme Court cited in *McDonalds’ Corporation, McGregor Food Industries, Inc. vs. Big Mak Burger, Inc.*, 437 SCRA 268 (2004), it is evident that the mark “MERO” is aurally confusingly similar to Opposer’s mark “MEROP”.
- 7.4 To allow Respondent to use its “MERO” mark on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the “MERO” products of Respondent originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the “MEROP” products of Opposer, when such connection does not exist.
- “8. Likewise, the fact that Respondent seeks to have its mark “MERO” registered in the same class (NICE Classification 5) as the trademark “MEROP” of Opposer plus the fact that both are antibacterial 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 “MERO”. In support of the foregoing, the instant Opposition is herein verified by Mr. Dante Sibug, which likewise serves as his affidavit (*Nasser vs. Court of Appeals*, 191 SCRA 786 [1990]).

Opposer submitted the following in support of its opposition:

Annex	Description
"A"	Trademarks published for opposition which include the mark "MERO", subject of the opposition
"B"	Notice of allowance for the mark "MEROP" of the Opposer.

On May 12, 2009, Respondent-Applicant filed its Verified Answer, denying all the material allegations of the Verified Notice of Opposition and further alleged the following as its special and affirmative defenses:

- "1. The Opposer claims that Respondent-Applicant's application for the trademark "MERO" is in violation of Section 123.1, subparagraph (d) of Republic Act No. 8293 or the Intellectual Property Code;
- "2. In fine, the Opposer avers that the mark "MERO" is identical and confusingly similar with its trademark "MEROP" such that it is likely to deceive or cause confusion;
- "3. It is respectfully submitted that the marks are not identical with one another that it may cause confusion;
- "4. It is stressed that the goods referred to in the present case are not merely inexpensive and common household items but *pharmaceutical products*.
- "5. Moreover, in the case of *Bristol Myers Co., vs. Director of Patents, 17 SCRA 128*, the Supreme Court allowed the separate registration of the trademarks "BUFFERIN" and "BIOFERIN", stating that with regard to medicines, the requirement for prescription marks "*the chances of being confused into purchasing one for the other are therefore all the more rendered negligible.*"
- "6. As it is, the Supreme Court has construed with sufficient liberality the registration of pharmaceutical products. Hence, the mere similarity of trademarks is not a valid ground to reject an application.
- "7. Furthermore, any likelihood of confusion is belied by the fact that an "*ordinary purchaser*" of pharmaceutical products would necessarily be one who is discerning and familiar with their nuances and individual markings, considering the type and nature of the products involved. As held by the Supreme Court in *Philip Morris, Inc. vs. Fortune Tobacco Corporation, G.R. No. 58589, June 27, 2006*:

"For another, a comparison of the trademarks as they appear on the goods is just one of the appreciable circumstances in determining likelihood of confusion. *Del Monte Corp vs. Court of Appeals* dealt with another, where we instructed to give due regard to the "ordinary purchaser," thus: "The question is not whether the two articles are distinguishable by their label when set side by side but whether the general confusion made by the article upon the eye of the casual purchaser who is unsuspecting and off guard, is such as to likely result in his confounding it with the original. As observed in several cases, the general impression of the ordinary purchaser, buying under the normally prevalent conditions in trade and giving the attention such purchasers usually give in buying that class of goods is the touchstone.

“When we spoke of an “ordinary purchaser”, the reference was not to the “complete unwary customer” but to the “ordinarily intelligent buyer” considering the type of product involved.”

Respondent-Applicant submitted Exhibit “1” in support of its application being opposed, which is the Secretary’s Certificate.

The only issue to be resolved in this case is:

WHETHER OR NOT THE RESPONDENT-APPLICANT’S MARK “MERO” IS CONFUSINGLY SIMILAR TO OPPOSER’S MARK “MEROP” AND WHETHER RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK “MERO”.

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

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 mark with an earlier filing r 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; | |

The two (2) contending trademarks are reproduced below for comparison and scrutiny.

Merop	MERO
Opposer’s mark	Respondent-Applicant’s mark

As can be gleaned from a side-by-side comparison of the two (2) contending trademark, it cannot be denied that they are almost exactly the same or identical. Both contained the letters “M”, “E”, “R” and “O”. Their only distinction is with the presence of the letter “P” in the Opposer’s trademark. All other features are exactly the same, hence, their slight distinction would not negate the presence of confusing similarity. When the contending trademarks are pronounced, they have the same sound.

Another vital point to be taken into consideration is the goods or products covered by the contending trademarks which are both pharmaceutical products more specifically “antibacterial” under Class 5 of the international classification of goods.

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be undertaken from the

viewpoint of prospective buyer. The trademark complained should be compared and contrasted with the purchaser's memory (*not in juxtaposition*) of the trademark said to be infringed. (87 C.J.S. pp 288-291) Some such factors as *sound*; appearance; form; style shape, size or format; color, idea connoted by the mark; the meaning, spelling and pronunciation of the words used; and the setting in which the words appear may be considered, (87 C.J.S. pp. 291-292) for indeed, trademark infringement is a form of unfair competition (Clark vs. Manila Candy co., 36 Phil. 100, 106; Co Tiong Sa vs. Director of Patents, 95 Phil. 1, 4).

Confusion is likely between trademarks only if their over-all presentations in any of the particulars of *sound*, appearance or meaning are such as would lead the purchasing public into believing that the products to which the marks are applied emanated from the same source.

In American Wire & Cable Company vs. Director of Patents et al., [31 SCRA 544] [G.R. No. L-26557, February 18, 1970], the Supreme Court ruled:

“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 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.”

Respondent-Applicant's trademark “MERO” contains the entire features of the Opposer's mark “MEROP”, more particularly the first four letters “M”, “E”, “R” and “O”.

Moreover, as previously mentioned, both trademarks are being used on the same goods under Class 5 of the international classification of goods and are made available to the same consuming public under the same channels of distribution. This being the case, the danger that the purchasing public will be mistaking one from the other as to the goods as well as to the source or origin of the products/goods he intended to purchase.

In the case of (Philippine Nut Industry, Inc., vs. Standard Brands, Inc., 65 SCRA 575), the Supreme Court ruled that:

“There is infringement of trademarks when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity. 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 trademarks contain the main or essential or dominant features of another by reason of which confusion or deception are likely to result, then infringement takes place; the duplication or imitation is not necessary, a similarity in the dominant features of the trademark would be sufficient.”

Worthy to be noted, however, is the fact that Opposer's mark “MEROP” was filed with the Intellectual Property Philippines (IPP) on *January 9, 2008* which has been allowed for publication by the Bureau of Trademark (BOT) (Annex “A”).

On the other hand, the Respondent-Applicant's mark “MERO” was filed for registration with the Intellectual Property Philippines (IPP) on February 5, 2008.

As shown by the records, the Opposer's trademark application for the mark "MEROP" was filed ahead of the Respondent-Applicant's trademark application for the mark "MERO".

WHEREFORE, considering that the contending trademarks are confusingly similar to each other, the Respondent-Applicant's mark is barred for registration under Section 123 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, which provides that:

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 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;

The use by the Respondent-Applicant of the mark "MERO" which is *visually* and *aurally* similar to Opposer's mark "MEROP" is likely to lead the purchasers to believe that the products of the Respondent-Applicant are neither related to or sponsored by the opposer due to the similarities of the two trademarks of the parties and the close relations of the goods.

The Supreme Court in the case "Chuanchow Soy & Canning Co., vs. Director of Patents and Rosario Villapania (G.R. No. L-13947, June 30, 1960)" stated:

"When one applies for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and an established goodwill."

WHEREFORE, in light of all the foregoing, the Opposition is, as it is hereby SUSTAINED. Consequently, Trademark Application No. 4-2008-001371 for the mark "MERO" filed on February 05, 2008 by YSS LABORATORIES, CO., INC., is, as it is hereby REJECTED.

Let the file wrapper of the trademark "MERO" 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, 10 September 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs