

F. HOFFMAN-La Roche AG,
Opposer,
-versus-

Ambrosio V. Padilla
Respondent-Applicant.
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IPC NO. 14-2008-00073

Opposition to:
Appl'n Serial No. 4-2008-007070
Date Filed: June 30, 2006

TM: "EUGLODIN"

Decision No. 2011-23

DECISION

F. HOFFMANN—LA ROCHE AG ("Opposer"), a corporation duly organized under the laws of Switzerland, with principal office at Grenzacherstrasse 124, CH-4002 Basel, Switzerland, filed on 28 March 2008 an opposition to Trademark Application No. 4-2006-007070. The application, filed by AMBROSIO V. PADILLA III ("Respondent—Applicant"), of MedChoice Pharma Inc., Unit 908, 88 Corporate Center, Seden corner Valero Streets, Salcedo Village, Makati City, covers the mark "EUGLODIN", for use on goods under Class 5, namely "Medicine (Pharma) specifically Sulphonylurea Hypoglycemic Drugs used in the treatment of type 2 or non-insulin-dependent diabetes mellitus". The application was published in the "IPO E-Gazette" on 07 December 2007. The Opposer alleges the following:

1. Opposer is the rightful owner and originator of the registered trademark EUGLUCON used on goods in Class 5. Opposer is also the prior user and registrant of the trademark EUGLOCON, used on antidiabetic preparations, in the Philippines and around the world. Applicant's trademark EUGLODIN, as used on Medicine (Pharma) specifically Sulphonylurea Hypoglycemic Drugs used in the treatment of Type 2 or Non-insulin Dependent Diabetes Mellitus For goods in Class 5, so resembles Opposer's trademark as to be likely, when applied to or used in connection with the identical goods of Applicant, to falsely indicate a connection between Applicant's goods and Opposer, which is widely identified and known as the source of antidiabetic preparations bearing the trademark EUGLUCON.
2. The registration of the trademark EUGLODIN in the name of the Applicant will violate Section 123.1 (d) and Section 123.1 (e) of the Intellectual Property Code ("IP Code"), Republic Act No. 8293, Section 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights.
3. The registration and use by Applicant of the trademark EUGLODIN will diminish the distinctiveness and dilute the goodwill of Opposer's trademark EUGLUCON, which is an arbitrary trademark when used in connection with antidiabetic preparations,
4. Applicants adoption of the closely similar or confidingly similar trademark EUGLODIN on its goods is likely to indicate a false connection between Applicants goods and those of Opposer, which has been identified by consumers in the Philippines as the owner of the well-known trademark EUGLUCON.
5. Applicants unauthorized appropriation and use of the trademark EUGLODIN will infringe upon Opposer's right to the locally registered and internationally well-known trademark EUGLUCON.
6. The registration of the trademark EUGLODIN in the name of the Applicant is contrary to other provisions of the Intellectual Property Code.

"In support of this opposition, Opposer will prove and rely upon, among other facts, the following:

1. Opposer is a well known manufacturer of a wide variety of pharmaceutical products in Class 5, including antidiabetic preparations. Opposer has adopted and has been commercially using, in the Philippines and in other countries worldwide, the trademark EUGLUCON for its antidiabetic preparations long before Applicants unauthorized appropriation of the closely and confusingly similar trademark EUGLODIN for use on identical goods.

2. Opposer is the registered owner of the trademark EUGLUCON which has been registered and/or applied for registration in the Philippines and in 77 countries worldwide for goods in Class 5, namely antidiabetic preparations. Opposer has also been commercially using its trademark EUGLUCON long before the appropriation and use of the confusingly similar trademark EUGLODIN by Applicant. Thus, the registration of the confusingly similar trademark EUGLODIN in the name of the Applicant will contravene Section 123.1 (d) of the IP Code.

3. Opposer's registered trademark EUGLUCON is also a well—known trademark within the meaning of Sections 123.1 (e), 147.1 of the Intellectual Property Code, Section 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights and is entitled to broad legal protection against unauthorized users like the Applicant who has appropriated it for his own goods.

4. Opposer is the first user of the registered trademark EUGLUCON in respect of antidiabetic preparations in Class 5. Opposer has advertised and widely promoted its goods bearing its said trademark in the Philippines and around the world, resulting in substantial sales and goodwill over the years. Applicant has appropriated the confusingly similar trademark EUGLODIN in bad faith for the obvious purpose of capitalizing upon the renown of Opposer's self—promoting trademark by misleading the public into believing that its goods originate from, or are licensed or sponsored by Opposer. Applicant's appropriation of the confusingly similar trademark EUGLODIN falsely indicated connection between Applicant's goods and those of Opposer, which has been identified as the registered owner of the well-known trademark EUGLUCON and will damage Opposer's interest as registered owners of the trademarks.

5. The registration and use by Applicant of the confusingly similar trademark EUGLODIN will tend to deceive and/or confuse purchasers into believing that Applicant's goods emanate from or are under the sponsorship of Opposer and will damage Opposer's interest for the following reasons:

i) The trademarks are so closely similar, the only difference being the replacement of the middle three letters in Opposer's registered mark by the letters 'O', 'D', and 'I', respectively, in Applicant's mark. The first two syllables of Opposer's mark is a dominant feature appropriated by Applicant. This dominant feature is not only visually identical; it is identical in sound as well, since 'EUGLU' and 'EUGLO' are pronounced exactly in the same way. When pronounced they have identical or very closely similar sounds and the difference, if any, are undetectable by the untrained ears of the consumers and the relevant, if not the general, public.

ii) Applicant's unauthorized appropriation and use of EUGLODIN in respect of Medicine (Pharma) specifically Sulphonylurea Hypoglycemic Drugs in the Treatment of Type 2 or Non-Insulin Dependent Diabetes Mellitus will dilute the goodwill and reputation of Opposer's EUGLUCON mark and products among consumers.

iii) Applicant used EUGLODIN on similar or identical goods as a self promoting trademark to gain public acceptability for its goods through its association with Opposer's popular EUGLUCON registered trademark, which is used on antidiabetic preparations in Class 5. Both EUGLUCON and EUGLODIN are used for the treatment of diabetes.

iv) The use of Applicants trademark on its goods inevitably indicates a connection with the Opposer because the goods covered by the mark, as well as other goods of the Opposer, are identical, similar or related.

v) Applicant intends to trade upon Opposer's goodwill.

6. The registration and use of a closely similar or confusingly similar trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer's registered trademark."

The Respondent-Applicant filed his Answer on 19 May 2008, alleging the following:

3.1. A comparison between the packaging of the Opposer's EUGLUCON versus Respondents EUGLOCIN (Exhibit `1') shows that there are striking differences between the two labels which would preclude the possibility of the purchasing public to confuse one pharmaceutical product form the other. The labels differ in packaging size, color scheme, labeling layout and text arrangement.

3.2. The packaging of Respondents EUGLODIN clearly indicates the source of the product. The stylized name of 'MedChoice Pharma' is clearly indicated at the top of the label while at the bottom thereof the words `Manufactured for; MEDCHOICE PHARMA INC.' and the company address are indicated for reference. Nowhere in the package or label does Respondents use of the trademark EUGLODIN indicate a connection, association, sponsorship or license — express or implied — with the Oppositor or its product, and neither does Respondent capitalize on the purported reputation or goodwill of the Opposer.

3.3. The likelihood of confusion is unlikely in this case since purchasers of pharmaceutical products are not considering common or inexpensive items. Both HUGLODIN and EUGLUCON can only be dispensed with a medical prescription, and consequently, the purchaser relies on the trained expert physician who recommends the product most suitable for the patient.

3.4. Despite the claim of Opposer that the `trademarks are too closely similar, the only difference being the replacement of the middle three letters' in the trademark EUGLUCON, the test in determining whether two marks are confusingly similar is not simply based on taking both words and comparing their spelling and pronunciation. Considered in their entirety, as they appear in their respective labels, the use of the trademark EUGLODIN is permissible.

x x x

4.1. The name EUGLODIN is an amalgamation of two words, 'Eu' refers to the midpoint between the medical prefix hypo-(low) and hyper-(high), and `glodin' is a word play for `glucose', Together the name translates to `balanced sugar' which is appropriate for an anti-diabetic preparation.

4.2. EUGLODIN was first sold in the Philippines on 2006 and continues to be available in the market as evidenced by the certified copy of the transaction report of MedChoice Pharma, Inc. (Exhibit `EZ')

4.3. Considering there is clearly no confusing similarity between the trademarks EUGLODIN and EUGLUCON, the priority use and registration by Opposer for the latter mark should have no effect to the registrability of the mark EUGLODIN.

5. Thus, the registration and use of the trademark EUGLODIN will not diminish the distinctiveness nor dilute the goodwill of Oppositor F. Hoffman-La Roche's EUGLUCON. To be sure, while a medical preparation manufactured by a well-known foreign company such as Roche enjoys a decided advantage over one which is produced only locally, no one — not even Roche — can claim a monopoly in the preparation of a medicinal product for the treatment of diabetes in the Philippines."

The Opposer filed its REPLY on 02 June 2008 refuting the Respondent-Applicant's allegations in the ANSWER and reiterates its allegations in the Opposition. In turn, the Respondent—Applicant filed a REJOINDER on 16 June 2008 alleging, among other things, the following;

3.1. Prior to its use in commerce, the name EUGLODIN was submitted to the Department of Health, through the Bureau of Food and Drug Administration (BFAD), for brand name clearance.

3.2. After reviewing the name EUGLODIN and its product classification, the BFAD issued Certificate of Product Registration dated 10 March 2005, a certified true copy of which is hereto attached as Exhibit `3`

3.3 The system for brand name clearances was abolished by Administrative Order No. 2005-0016 only in June 2005. A copy of Administrative Order No. 2005-0016 is hereto attached as Exhibit `4`.

3.4. The terms, `confusingly similar` or `likelihood of confusion` both refer to the legal criteria required to prove infringement of a trademark. Specifically, if consumers are likely be confused or mistaken about the source of a product or service, then a likelihood of confusion exists, and the trademark has been infringed. The reason for this is that trademark law is not as much about protecting business interests as it is to protect consumers.

3.4.1 In determining the likelihood of confusion, this Honorable Office evaluates several factors, one of which is how careful the consumer is likely to be prior to purchasing, The more sophisticated the consumer (e.g. adults versus children), or the more expensive the product, then the more discriminating the consumer is expected to be, and the less likely confusion will be attributed to them.

3.4.2 From the package labeling of the trademarks of both Oppositor and Respondent, it is evident that Philippine laws prohibit the sale of these medications to end-users without a valid physician's prescription.

3.4.3 The likelihood of confusion is unlikely in this case since purchasers of pharmaceutical products are not considering common or inexpensive items, Both EUGLODIN and EUGLUCON can only be dispensed with a medical prescription, and consequently, the purchaser relies on the trained expert physician who recommends the product most suitable for the patient, and later, on the pharmacist who eventually sells the medicine.

3.4.4 The question therefore is whether physicians and pharmacists are likely to be confused between the two brand names so that they eventually dispense and sell one while intending to dispense and sell the other, The affidavits of Ms. Maria Elma U. Echivare, licensed pharmacist, and of Drs. Jerry Renato Borja, Nestor Garcia, Emmanuel A. Padilla, Catalina M. Marquez, and Jose Fabian I. Cadiz, licensed physicians, prove the absence of any confusion between the medical preparations `EUGLODIN` and `EUGLUCON` and confirm that both medications can only be dispensed with a doctor's prescription. Copies of the affidavits are

hereto attached as Exhibits `5' (for the pharmacist) and `6' to `6-D', respectively, and made integral parts hereof

Should the Respondent-Applicant be allowed to register the mark EUGLODIN?

It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure that they are procuring the genuine article, to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article or his product. Thus, Sec. 123.1 (d) of Rep. Act No. 8298, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services; or, if it nearly resembles such a mark as to be likely to deceive or cause confusion.

In this regard, an opposition proceeding is basically a review of the trademark application in question, succinctly, to determine whether the requirements of the law are met.

Undisputed are the following facts:

1. At the time the Respondent-Applicant filed his trademark application on 30 June 2006, there is an existing registration for the mark EUGLUCON (Reg. No. 61839);
2. That Trademark Reg. No. 61339, originally issued in favor of Boehringer Mannheim GmbH was later assigned to the Opposer; and
3. That Trademark Reg. No. 61889 covers "anti-diabetic preparations" under Class 5.

Without a doubt, the goods covered by the Respondent—Applicant's application, therefore, are similar and/or closely related to the goods under by Reg. No. 61889.

The question is: Are the competing marks identical or similar, or closely resemble each other that confusion or deception is likely to occur?

The first two syllables of the Respondent-Applicant's mark — "EUGLO" is practically identical to the first two syllables of the Opposer's mark ("EUGLU). These are the parts of the competing word marks that obviously draw the eyes and ring to the ears, and the ones likely to be remembered by the consumers. The overall impression created by the similarity between the competing marks is that the products covered by the competing marks and/or the manufacturers thereof appears to be connected or associated with each other, or that there is only one source of these products?

This Bureau Ends untenable the Respondent-Applicants contention that the manner by which the pharmaceutical product labeled "EUGLODIN" is identified distinguishes it from the product labeled "EUGLUCON" because the labels differ in packaging size, color scheme, layout and text arrangement. Similarity in size, form and color, while relevant, is not conclusive. It is stressed that the conclusion (of similarity) created by the 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, adding 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? The copycat need not copy the entire mark, but it is enough that he takes one feature which the

average buyer is likely to remember. In *American Wire & Cable Co. v. Director of Patents et.al*, the Supreme Court held:

"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, patent 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 purposes 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."

Aptly, the ultimate ratio in cases of grave doubt is the rule that as between new comer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer in as much as the Field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.

That the products covered by the competing marks can only be purchased with a physician's prescription is of no moment. There is real probability of a patient or a pharmacy sales clerk committing mistake in the dispensation of pharmaceutical products in spite of a physician's prescription, resulting in injury incurred by the patient and litigation or case in court such as *Mercury Drug Corporation v. Baking*. The pertinent facts of the case as summarized by the Supreme Court read:

"On November Q5, 1993, Sebastian M. Baking, respondent, went to the clinic of Dr. Cesar Sy for a medical check-up. On the following day, after undergoing an ECG, blood, and hematology examinations and urinalysis, Dr. Sy found that respondent's blood sugar and triglyceride were above normal levels. Dr. Sy then gave the respondent two medical prescriptions - Diamicon for his blood sugar and Benalize tablets for his triglyceride.

"Respondent then proceeded to petitioner Mercury Drug Corporation (Alabang Branch) to buy the prescribed medicines. However, the saleslady misread the prescription for Diamicon as a prescription for Dormicum Thus, what was sold to respondent was Dormicum, a potent sleeping tablet.

"Unaware that what was given to him was the wrong medicine, respondent took one pill of Dormicum on three consecutive days —November 6, 1995 at 9:00 p.m., November 7 at 6:00 a.m., and November 8 at 7:30 am.

"On November 8 or on the third day he took the medicine, respondent figured in a vehicular accident. The car he was driving collided with the car of one Josie Peralta. Respondent fell asleep while driving. He could not remember anything about the collision nor felt its impact.

"Suspecting that the tablet he took may have a bearing on his physical and mental state at the time of the collision, respondent returned to Dr. Sy's clinic. Upon being shown the medicine, Dr. Sy was shocked to find that what was sold to respondent was Dormicum, instead of the prescribed Diamicon."

Thus, this Bureau finds that Trademark Application Serial No. 4-2006-0070707 is proscribed by Sec. 123.1 (d) of the IP Code.

Finally, it is stressed that the determination of intellectual property rights issues with respect to pharmaceutical products is within the jurisdiction of this Bureau and the Intellectual Property Office of the Philippines regardless of whether or not the pharmaceutical products involved are registered in the Bureau of Food and Drugs (now the Food and Drugs Administration).

WHEREFORE, premises considered, the instant opposition is hereby SUSTAINED, let the file wrapper of Trademark Application Serial No. 4--2006-007070 be returned, together with a copy of this Decision, to the Bureau of Trademarks for inebriation and appropriate action.

SO ORDERED.

Makati City, 03 March 2011.