

DERMATECH PTY. LTD
(Formerly Dermatech
Laboratories Pty. Ltd.),

Opposer,
- versus -

ZENAUST PHARMA, INC.,
Respondent-Applicant.

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IPC 14-2005-00155

Opposition to:
TM Application No. 4-2005-008415
(Filing Date: 30 August 2005)

TM: "CLINDATECH"

Decision No. 07-152

DECISION

Before us is a Verified Notice of Opposition filed on May 30, 2007 against the application for registration of the mark "CLINDATECH" used for pharmaceuticals namely anti-acne, topical solutions under class 05 of the international classification of goods bearing Application Serial No. 4-2005-008415 which was published in the Intellectual Property Office Electronic Gazette on February 2, 2007.

Opposer, DERMATECH PTY. LTD., is a limited liability corporation organized and existing under the laws of Australia with principal office located at Unit 17, 167 Prospect Highway, Seven Hills NSW, 2147, Australia. Respondent-Applicant, ZENAUST PHARMA, is a corporation existing and incorporated under the laws of the Philippines with address at 67 West Capitol Drive, Brgy. Kapitolyo, Pasig City.

Opposer's grounds for opposition are as follows:

1. Opposer Dermatech will be damaged by the registration of the mark covered by the application. Respondent-Applicant clearly copied the CLINDATECH trademark of Dermatech.

2. The mark sought to be registered will mislead the public into believing that the product the same are the same CLINDATECH Products marketed and sold by Opposer or that they originate from the same source. The said mark is also an attempt to appropriate the goodwill of Dermatech in its CLINDATECH trademark."

The Opposer relied on the following facts to support its opposition:

1. Dermatech is in the business of manufacturing processing marketing and selling pharmaceutical products including medicated and non-medicated dermatological skin care preparations, medicated and non-medicated cleansing preparations, creams, ointments, moisturizers, lotions and solutions for skin care, medicated and non-medicated shampoos and conditioners falling under International Classes 3 and 5.

2. Dermatech markets and sells its products using different trademarks, including the trademark CLINDATECH, which is used in connection with a medicated lotion for treatment of acne, under International Class 5. Dermatech first used the mark CLINDATECH in Australia on 9 May 1989, and has continuously used the mark since that date for such goods.

3. Dermatech has specifically marketed and sold its products by reference to the trademark CLINDATECH since early September, 1999 in the Philippines.

4. In marketing and distribution of its products, including products bearing the CLINDATECH trademark, Dermatech appoints distributors with its different products, including those bearing the CLINDATECH trademark (the “CLINDATECH Products”)

5. Among the distributors used and appointed by Dermatech to market and sell its products including CLINDATECH Products is respondent-applicant Zenaust Pharma. Not only Zenaust Pharma but its sister companies through its controlling owner-stockholder, Mr. Agit Seth, distributed and dealt with CLINDATECH Products and other products of Dermatech long before the filing of Zenaust Pharma’s application.

6. Dermatech delivered, marketed and sold its CLINDATECH Products principally through Zenaust Pharma for sale in the Philippines.

7. Zenaust Exports and Zenaust Pharma failed to perform on their commitments and to settle long overdue accounts. Dermatech terminated the relationship with the said companies effective 7 September 2004.

8. Opposer Dermatech has exerted substantial efforts and has invested enormous amounts to develop and establish its trademark CLINDATECH not only in the Philippines but also in Australia and many other countries.

9. Dermatech learned through monitoring of Ajit Seth’s activities and those of the Zenaust companies, that respondent-applicant Zenaust Pharma managed to fraudulently convince this Honorable Office to publish the Trademark Application subject hereof covering CLINDATECH mark identical and definitely confusingly similar to the CLINDATECH trademark of Dermatech.

10. There is no doubt that respondent-applicant Zenaust Pharma copied the trademark of Dermatech which used to be its principal and supplier of products bearing the CLINDATECH trademark. After Zenaust Pharma was terminated as distributor of Dermatech, it decided to appropriate for itself the CLINDATECH trademark and the goodwill of Dermatech in CLINDATECH Product. Zenaust Pharma is not only confusing the market and the consumers by using and seeking registration of the CLINDATECH trademark, it is also passing off its products as the real CLINDATECH Product which it used to sell and distribute in the Philippines.”

Together with the Verified Notice of Opposition, Opposer submitted the Affidavit of John Roelef Parsonage, Director of Opposer, with the following attached documents:

Exhibits	Description of Documents
“A”	Sample of CLINDATECH Trademark
“B”	List of Dermatech Products
“C”	Authenticated Secrecy Agreement signed on December 13, 2000 between Zenaust Pharma, Inc. and Dermatech Laboratories Pty. Ltd.
“D”	Authenticated Secrecy Agreement signed on February 13, 1997 Zenaust Imports Pty. Ltd. And Dermatech Laboratories Pty. Ltd.
“E”	Authenticated Secrecy Agreement signed on July 23, 1998 Zenaust Exports (NSW) Pty. Ltd. and Dermatech Laboratories Pty. Ltd.
“F”	Authenticated Secrecy Agreement signed on December 13, 2000 between UAS Pharmaceuticals (Thailand) Ltd. And Dermatech Laboratories Pty. Ltd.
“G”	Authenticated letter fax to Mr. John Parsonage dated July 28, 1999 from Agit Seth
“H”	Authenticated Affidavit of Maree Laughton containing A Report detailing deliveries of products Of Dermatech Labs bearing the mark

	Authenticated Secrecy Agreement signed on December 13, 2000 between Zenaust Pharma, Inc. And Dermatech Laboratories Pty. Ltd.
"I"	Authenticated Letter dated September 10, 2004 from Russel Mc Murray B. Pharm to Agit Seth about the Cancellation Of Account
"J"	Authenticated Letter dated July 20, 2005 from Russel Mc Murray B. Pharm to Agit Seth about the Termination Of Zenaust Agency Agreement
"K"	Certificate of Product Registration of CLINDATECH with the Bureau of Food and Drugs (BFAD) Issued on December 15, 2005

On June 14, 2007, this Bureau issued a Notice to Answer. Said Notice to Answer was personally served to Respondent-Applicant's address on record on June 25, 2007. However, despite the lapse of thirty (30) days given to Respondent-Applicant to file its Answer, no motion for extension to file answer or answer has been filed. On August 30, 2007, Order No. 2007-1542 was issued waiving Respondent-Applicant's right to file its answer. Hence, this case is now ripe for decision.

The sole issue to be resolved in this case is: Whether or not Respondent-Applicant is entitled to register the mark "CLINDATECH".

Section 123.1 (d) of Republic Act No. 8293, as amended, provides:

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

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(d) Is identical with registered mark belonging to a different proprietor or a mark with 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 device or cause confusion,"

The right to register trademarks, trade names and service marks by any person, corporation, partnership or association domiciled in the Philippines or any foreign country, is based on ownership, and the burden is upon the applicant to prove such ownership.

In the case of UNNO COMMERCIAL ENTERPRISES, INC. VS. GENERAL MILLING CORPORATION, ET. AL., G.R. NO. L-28554, FEBRUARY 28, 1993 the High Court enunciated:

"The right to register trademark is based on ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. Under the Trademark Law only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or service of others is entitled to register the same.

The term owner does not include the importer of the goods bearing the trademark, trade name, service mark, or other mark of ownership, unless such importer is actually the owner thereof in the country from which the goods are imported. Xxx

Thus, this Court, has on several occasions ruled that where the applicant's alleged ownership is not shown in any notarial document and the applicant appears to be merely an importer or distributor of the merchandise covered by said trademarks, its application cannot be granted."

A review of the arguments of Opposer vis-à-vis the evidence presented would show that there is an overwhelming evidence that Opposer is the owner of the mark "CLINDATECH" being applied for registration by herein Respondent-Applicant. The various Secrecy Agreements entered into by and between Respondent-Applicant and its sister companies with Opposer Dermatech clearly reveals that indeed Respondent-Applicant is merely a distributor of the Clindatech Products. This fact was bolstered by the BFAD issued Certificate of Product Registration which states that Respondent-Applicant is the Distributor of the Clindatech Topical Solution manufactured by Dermatech, herein Opposer. As such, since Respondent-Applicant is not the owner of the mark, its registration is proscribed by law and jurisprudence.

Moreover, it must be pointed out Respondent-Applicant failed to file its Answer despite due notice which is indicative of its lack of interest in pursuing its application for registration of the herein subject mark: "CLINDATECH". Applying therefore, the principle of laches pursuant to the principle that a person takes ordinary care of his concern, Respondent-Applicant is deemed to have abandoned his application for registration of the mark "CLINDATECH".

WHEREFORE, premises considered, the Notice of Verified Opposition file by Opposer, DERMATECH PTY. LTD. Against respondent-applicant ZENAUST PHARMA, INC., is as it is hereby SUSTAINED. Consequently, the trademark application for the registration of the mark "CLINDATECH" bearing Application Serial No. 4-2005-008415 filed on August 30, 2005 by Respondent-Applicant for pharmaceuticals namely anti-acne, a topical solution under Class 05 of the international Classification of goods is, as it is hereby, REJECTED.

Let the filewrapper of "CLINDATECH" of the instant case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 23 October 2007.

ESTRELITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs