GALDERMA, S.A., Opposer, - versus - BROWN & BURK PHILIPPINES, INC. & MICRO LABS., LTD., Respondent-Applicant. x----------x	IPC No. 14-2008-00365 Case Filed: 15 December 2008 Opposition to: Appl'n Serial No. 4-2007-013043 Date Filed: 23 November 2007 Trademark: "CLOBET" Decision No. 2009-99

DECISION

This is an opposition to the registration of the mark "CLOBET" bearing Application Serial No. 4-2007-013043 filed on 23 November 2007 covering the goods *"pharmaceutical product use for short treatment of inflammatory and pruritic manifestation of moderate to severe corticosteroids and responsive dermatoses"* 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 15 August 2008.

The Opposer in this particular case is "GALDERMA, S.A.", a foreign corporation duly organized and existing under and by virtue of the laws of Switzerland with business address located at Zegerstrasse 8, 6330 Cham, Switzerland.

On the other hand, the Respondent-Applicant is "BROWN & BURK PHILIPPINES, INC., and MICRO LABS. LTD.," with business address at 302-B RCI Building, NO.1 05 Rada Street, Legaspi Village, Makati City.

The grounds of the opposition are as follows:

1. Opposer is the first to adopt, use and register worldwide including the Philippines, the "CLOBEX" trademark for goods falling under international class 05 and therefore, enjoys under Section 147 of Republic Act (R.A.) No. 8293 the right to exclude others from registering or using identical or confusingly similar marks such as Respondent-Applicant's trademark "CLOBET" for pharmaceutical products used for short treatment of inflammatory and pruritic manifestation of moderate to severe corticosteroids and responsive dermatoses falling under international class 05.

2. There is a likelihood of confusing similarity between opposer's "CLOBEX" trademark and Respondent-Applicant's trademark "CLOBET" because Respondent-Applicant's trademark "CLOBET" so resembles Opposer's "CLOBEX" trademark, as to likely, when applied to or used in connection with the goods of Respondent-Applicant, cause confusion, mistake and deception on the part of the purchasing public as being a trademark owned by the Opposer, hence, the Respondent-Applicant's "CLOBET" trademark cannot be registered in the Philippines pursuant to the express provision of Section 147.2 of Republic Act (RA.) No. 8293. No doubt, the use of Respondent-Applicant's "CLOBET" trademark for its products will indicate a connection between its products and those of the Opposer's.

3. The Opposer's trademark "CLOBEX" for dermatological pharmaceutical and sanitary preparations for the skin and scalp; medicated preparations for the skin; medicate preparations for the scalp is well-known internationally and in the Philippines, taking into account the knowledge of the relevant sector of the public, rather than the public at large, as being a trademark owned by the Opposer

4. Respondent-Applicant is adopting “CLOBET” for its goods, is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection or association with the Opposer, or as to origin, sponsorship or approval of its goods and services by the Opposer, for which it is liable for false designation of origin, false description or representation under Section 169 of Republic Act (RA.) No. 8293.

5. Respondent-Applicant’s appropriation and use of the trademark “CLOBET” infringes upon the Opposer’s exclusive right to use as registered owner of its “CLOBEX” trademark, which is protected under Republic Act (RA.) No. 8293 particularly Section 147 thereof.

Opposer relied on the following in support of its opposition:

1. Opposer is the owner of the “CLOBEX” trademark.

   Opposer is the owner of the “CLOBEX” trademark and has adopted and used the “CLOBEX” trademark all over the world. The “CLOBEX” trademark is registered in the Philippines under Registration No. 4-2004-005818 issued on November 28, 2005 for dermatological pharmaceutical and sanitary preparations for the skin and scalp’ medicated preparations for the skin; medicated preparations for the scalp, which is still valid and in force in the Philippines.

   A copy of the abovementioned Certificate of Registration is hereto attached as Annex “A”.

   The trademark “CLOBEX” is also registered or applied for registration in several countries around the world long before the appropriation and filing of the application by Respondent-Applicant for the registration of the trademark “CLOBET” in the Philippines {Exhibits “B” to “M”}.

2. There is a likelihood of confusing similarity between Opposer’s “CLOBEX” trademark and Respondent-Applicant’s trademark “CLOBET”.

   Respondent-Applicant’s trademark “CLOBET” is confusingly similar to Opposer’s “CLOBEX” trademark in sound, spelling and appearance as to likely cause confusion.

   Respondent-Applicant’s trademark “CLOBET” entirely contains Opposer’s trademark “CLOBEX”. The prefix “CLO”, which is commonly used in products falling under international class 05, to Opposer’s “CLOBEX” trademark does not avoid the probability of confusion among consumers. This is especially so since the goods of Opposer and Respondent-Applicant are the same and are made available to the same consuming public and in the same channels of distribution. Respondent-Applicant’s trademark “CLOBET” covers pharmaceutical product used for short treatment of inflammatory and pruritic manifestation of moderate to severe corticosteriod and responsive dermatoses while Opposer’s “CLOBEX” trademark is also registered for dermatological pharmaceutical and sanitary preparations for the skin and scalp; medicated preparations for the skin; medicated preparations for the scalp.

3. The Opposer’s trademark “CLOBEX” is internationally well-known.

   The trademark “CLOBEX” which Opposer herein originated and adopted is internationally well-known.

   The Opposer’s trademark “CLOBEX” has been used, promoted and advertised for a considerable duration of time and over wide geographical areas having been in use

in several countries. Opposer has invested significant amount of resources in the promotion of its trademark “CLOBEX” worldwide and in the Philippines.

4. The use of Respondent-Applicant’s trademark “CLOBET” would indicate a connection with the goods and services covered by Opposer’s “CLOBEX” mark, hence, the interests of the Opposer are likely to be damaged.

   Respondent-Applicant’s products are clearly identical to Opposer’s products covered by its “CLOBEX” trademark. Undoubtedly, the use of Respondent-Applicant’s trademark “CLOBET” definitely misleads the public into believing that its goods originate from, or are licensed or sponsored by Opposer or that Respondent-Applicant is associated with or an affiliate of the Opposer.

   Respondent-Applicant has appropriated the trademark “CLOBET” for the obvious purpose of capitalizing upon or riding on the valuable goodwill and popularity of the “CLOBEX” trademark which Opposer gained through tremendous effort and expense over a long period of time. This clearly constitutes an invasion of Opposer’s intellectual property rights.

   The use by Respondent-Applicant of “CLOBET” will dilute the distinctiveness of Opposer’s “CLOBEX” trademark.

   The use, sale and distribution by the Respondent-Applicant of goods bearing the “CLOBET” trademark is inflicting considerable damage to the interests of the Opposer. To allow Respondent-Applicant to register “CLOBET” will constitute a mockery of our laws protecting intellectual property rights; it will legitimize its unlawful business practice.

Opposer submitted the following in support of its opposition:

Exhibit	Description
“A”	Certified true copy of Registration NO. 4-2004-005818 for the mark “CLOBEX
“B” to “M”	Trademark registrations and applications filed abroad by the Opposer for the mark “CLOBEX
“N” to “O”	Actual labels of Opposer’s “CLOBEX” and other documentary evidences

On the other hand, Respondent-Applicant failed to file its verified answer despite having received the Notice to Answer.

It is provided for in Section 11 of the Summary Rules (Office Order No. 79, Series of 2005).

> Section 11. *Effect of failure to file an Answer.* - In case the Respondent-Applicant fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the Petition or Opposition, the affidavit of the witnesses and documentary evidence submitted by the Petitioner or Opposer.

The Ultimate issue to be resolved in this case is:

> WHETHER OR NOT THE RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK “CLOBET”.

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

CLOBEX	CLOBET
Opposer's mark	Respondent-Applicant's mark

From a side-by-side comparison of the contending trademarks, it is obvious and very clear that they are almost identical/the same. Both trademarks consist of two (2) syllables each and composed of five (5) letters each. Their distinction lies only in the last letter of which the Opposer's last letter is "X" while the Respondent-Applicant mark ends with letter "T". However, this slight distinction did not in any way negate the presence of confusing similarity between the two trademarks.

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:*

"(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;

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. aI., [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 "CLOBET" is confusingly similar to Opposer's mark "CLOBEX" both in sound, spelling and appearance as likely to cause confusion.

Another vital point to be considered in this particular case is the goods/products covered by the competing trademarks both under Class 5 of the International Classification of goods.

Infringement of trademark depends on whether the goods of the two contending parties using the same trademark are so related as to lead the public to be deceived. The vast majority of courts today follow the modern theory or concept of *"related goods"* which the courts has likewise adopted and uniformly recognized and applied. 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.*

Respondent-Applicant's trademark "CLOBET" entirely contains Opposer's trademark "CLOBEX". Both trademarks are being used on almost the same goods falling under class 5 of the international classification of goods and are made available to the same consuming public and in the same channels of distribution. Respondent-Applicant's mark "CLOBET" covers pharmaceutical product used for short treatment of inflammatory and pruritic manifestation of moderate to severe corticosteroids and responsive dermatoses, while that of the Opposer's mark "CLOBEX", is also use for dermatological pharmaceutical and sanitary preparations for the skin and scalp; medicated preparations for the skin; medicated preparation for the scalp.

In the case at bar, the competing trademarks are being used on goods under the same class 5 of the international classification of goods and as such a danger that the purchasing public will be mistaken one from the other into the source or origin of the products / goods he intended to purchase.

If Respondent-Applicant's trademark application for the mark "CLOBET" be granted and allowed, its use on its goods definitely would create a situation of misleading the public into believing that Respondent-Applicant's goods originated from, or are licensed or sponsored by Opposer or the said party is associated with or affiliate of the Opposer.

It is to be noted, however, that the Opposer's trademark "CLOBEX" has been registered with the Intellectual Property Philippines (IPP) bearing Registration NO. 4-2004-005818 dated November 28, 2005 (Exhibit "A") covering the goods *"dermatological pharmaceutical and sanitary preparations for the skin and scalp; medicated preparations for the skin and the scalp in class 5"*

Section 138 of Republic Act No. 8293, provides:

> "Section 138. *Certificates of Registration.* - 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 of 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."

The Supreme Court in the case "Chuanchow Soy & Canning Co., vs. Director of Patents and Rosario Villapanta (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."

WITH ALL THE FOREGOING, the Opposition is, as it is hereby SUSTAINED. Consequently, Trademark Application No. 4-2007-013043 for the mark "CLOBET" filed on

November 23, 2007 by BROWN & BURK PHILIPPINES, INC., and MICRO LABS. LTD., is, as it is hereby REJECTED.

Let the filewrapper of the trademark “CLOBET” 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, 27 August 2009.

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