

MEDICHEM PHARMACEUTICAL, INC.,  
Opposer,

- versus-

MEDHAUS PHARMA,  
Respondent-Applicant.

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IPC No. 14-2009-00239  
Case Filed: 12 October 2009  
Opposition to:  
Appln. Serial No. 4-2007-010248  
Date Filed: 17 September 2007  
Trademark: "ZOLMED"

Decision No. 2010-32

## DECISION

MEDICHEM PHARMACEUTICALS, INC. ("Opposer"), a corporation organized and existing under the laws of the Republic of the Philippines, with principal office located at 750 Shaw Boulevard, Mandaluyong City, filed on 12 October 2009 an opposition to Trademark Application Serial No. 4-2007-010248. The application, filed by Medhaus Pharma, Inc. ("Respondent-Applicant"), with business address at 139 K First St., Kamuning, Quezon City on 17 September 2007, covers the mark ZOLMED for use on "*antibacterial which is used in the treatment of genito-urinary infections, skin infections, upper and lower respiratory tract infections and gastrointestinal tract infections*" under Class 05.<sup>1</sup>

The Opposer alleges the following:

"1. The trademark 'ZOLMED' so resembles 'ZOLDEM' trademark owned by Opposer, which was applied for registration with this Honorable Office prior to the application of the mark 'ZOLMED'. The trademark 'ZOLMED', 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 'ZOLMED' is applied for the same class of goods as that of trademark 'ZOLDEM', i.e. Class (5).

"2. The registration of the trademark 'ZOLMED' 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:

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Under the aforementioned 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's use and registration of the trademark 'ZOLMED' will diminish the distinctiveness of Opposer's trademark 'ZOLDEM'.

### "ALLEGATIONS IN SUPPORT OF THE OPPOSITION"

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

"4. Opposer, the owner of the trademark 'ZOLDEM', is engaged in the marketing and sale of a wide range of pharmaceutical products. The trademark

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<sup>1</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademark and servicemarks, based on a multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

Application for the trademark 'ZOLDEM' was filed with the Intellectual Property Office on 05 June 2006 by Opposer and was approved for registration on 16 December 2007 and valid for a period of ten (10) years. Opposer dutifully filed the declaration of Actual Use. Attached are copies of the Certificate of Registration and Declaration of Actual Use marked as Annexes 'B' and "C". The registration of the trademark CLOZIP in the name of respondent-applicant is contrary to other provisions of the Intellectual Property Code of the Philippines.

4.1 In order to legally market, distribute and sell ZOLDEM in the Philippines, it was registered with the Bureau of Food and Drugs (BFAD). Copies of the Certificate of Product Registration issued by the BFAD for the mark 'ZOLDEM' and sample label are hereto attached as Annexes 'D' and 'E'.

"5. There is no doubt that by virtue of the prior filing of the application and its subsequent registration, the Opposer has acquired an exclusive ownership over 'ZOLDEM' mark to the exclusion of all others.

"6. 'ZOLMED' is confusingly similar to 'ZOLDEM'.

6.1 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.

6.1.1 In fact, in *Societe' Des Produits Nestle', S.A. vs. 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 mark in question must be considered in determining confusing similarity.'

6.1.2 It is worth to note at this point that in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* [Supra, p. 221,] the Supreme Court held '[The totality or holistic test only relies on visual comparison between 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.'

6.1.3 Relative thereto, the Supreme Court in *McDonalds Corporation vs. 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. 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 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 vs. Honover Rubber Co., 107 F. 2d 588; ...) (Emphasis supplied.)

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6.1.4 Applying the dominancy test, it can be readily concluded that the trademark ‘ZOLMED’, owned by Respondent, so resembles the trademark ‘ZOLDEM’, that it will likely cause confusion, mistake an deception on the part of the purchasing public.

6.1.4.1 First, ‘ZOLMED’ appears and sounds almost the same as ‘ZOLDEM’;

6.1.4.2 Second, both marks are composed of two (2) syllables;

6.1.4.3 Third, the first three (3) letters of both marks are the same;

6.1.5 Clearly, the Respondent adopted the dominant features of the Opposer’s mark ‘ZOLDEM’;

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

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6.2 The trademark ‘ZOLMED’ and Respondent’s trademark ‘ZOLDEM ‘ 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 ‘ZOLMED’ is applied for the same class as that of trademark ‘ZOLDEM’, i.e. Class (5), to the Opposer’s extreme damage and prejudice.

“7. To allow Respondent to continue to market its products bearing the ‘ZOLMED’ mark undermines Opposer’s right to its marks. As the lawful owner of the mark ‘ZOLDEM’, 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 ‘ZOLDEM’, 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 ‘ZOLDEM’, 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 *McDonald’s Corporation, McGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc.*, 437 SCRA 268 (2004), it is

evident that the mark 'ZOLMED' is aurally confusingly similar to Opposer's mark 'ZOLDEM'.

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

"8. Likewise, the fact that Respondent seeks to have its mark 'ZOLMED' registered in the same class (Nice Classification 5) as the trademark 'ZOLDEM' of Opposer will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

"9. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent of the trademark 'ZOLMED'. In support of the foregoing, the instant Opposition is herein verified by Mr. Merza Alejandrino which likewise serves as his affidavit (*Nasser v. Court of Appeals*, 191 SCRA 783 [1990]).

The Opposer submitted the following pieces of evidence:

1. Annex "A" - IPO E-Gazette Home, Table of Contents;
2. Annexes "B" and "C" - Certificate of Registration and Declaration of Actual Use;
3. Annexes "D" to "D-1" - Certificate of Product Registration issued by BFAD; and
4. Annex "E" - sample label.

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 23 November 2009. The Respondent-Applicant, however, did not file an Answer. Thus, Rule 2, Sec. 11 of the Regulations on Inter Partes Proceedings, as amended, provides:

Sec. 11. *Effect of failure of to file Answer* -In case the respondent 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 affidavits of the witnesses and the documentary evidence submitted by the petitioner or oppose.

Should the Opposer's opposition to Respondent-Applicant's trademark application be sustained?

The Opposer anchors its opposition on Sec. 123.1 (d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

Section 123. Registrability. -123.1. A mark cannot be registered if it:

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(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 services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

The competing marks are reproduced below for comparison:

**Zoldem**

Opposer's trademark

**ZOLMED**

Respondent-Applicant's mark

The competing marks are not identical. The letters in the Respondent-Applicant's mark are in the upper case as against the Respondent-Applicant's which has the letters "O", "L", "D", "E", "M" written in lower case. The similarity between the marks is only with respect to the first three (3) letters "Z", "O", and "L" and the sound produced by pronouncing them. But, the second syllables, not similar in sight and sound, easily distinguish one mark from the other. While the second syllables contain the same letters "D", "E" and "M", the arrangement in the Opposer's mark produces a visual and phonetic character that is so distinct from the arrangement of the letters in the Respondent-Applicant's mark.

Moreover, although the goods involved pertain to pharmaceutical products under Class 05, the product on which the mark ZOLMED is used is vastly different from that covered by the mark ZOLDEM in composition and is intended for a different purpose. The drug under the mark or brand ZOLMED is "*antibacterial which is used in the treatment of genito-urinary infections, skin infections, upper and lower respiratory tract infections and gastrointestinal tract infections.*" On the other hand, ZOLDEM is a brand for "sedative/ hypnotic pharmaceutical preparation." In essence, the pharmaceutical products covered by ZOLMED and ZOLDEM are not identical, and therefore, not competing products. Neither could they be considered closely-related products.

The marked difference in the illnesses or disorders on which the drugs are applied to, makes the consumers more cautious and wary in buying the right product and brands. The situation in this instance is not the same as when two competing brands cater to or treat the same or related diseases.

Aptly, this Bureau finds that it is unlikely that the consumers will associate the Respondent-Applicant's mark and product with the Opposer's and vice-versa. As such, adverse effect on the reputation or goodwill of the Opposer's mark, cannot be fairly inferred. There is no cogent reason to believe that the Opposer will likely be damaged by the registration of the Respondent-Applicant's marks.

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby DENIED. Let the filewrapper of Trademark Application No. 4-2007-010248 be returned together with a copy of this Decision to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Makati City, 23 June 2010.

NATHANIEL S. AREVALO  
Director, Bureau of Legal Affairs  
Intellectual Property Office