

MONTREX ROLEX, S.A.,	}	Inter Partes Case No. 4136
Opposer,	}	Opposition to:
	}	
	}	Appl'n. Serial No.: 85255
-versus-	}	Filed : 31 March 1993
	}	Trademark : "LUPROLEX"
	}	Class : 5
TAKEDA CHEMICAL	}	Used on : Medical Products
INDUSTRIES, LTD.	}	
Respondent-Applicant.	}	Decision No. 2002 – 11
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DECISION

This is an Opposition to Takeda Industries, Ltd application for the registration of mark LUPROLEX bearing Serial No. 85255 under Class 5 for use in medical products for the management of endometriosis and prostatic cancer. Said application was published in page 73, Volume VII, No. 6 of November – December issue of the Official Gazette, officially released for circulation on January 3, 1994.

The herein Opposer MONTREX ROLEX, S.A. is a corporation organized and existing under the laws of Switzerland with principal office address at 3, Rue Francois – Dussaud 1211 Geneva, Switzerland.

The herein Respondent-Applicant is TAKEDA CHEMICAL INDUSTRIES, LTD. of 1 – Dos chomachi 4 – chome, chuo-ku, Osaka, Japan.

On March 2, 1995, MONTREX ROLEX, S.A. filed an Opposition invoking the following grounds to wit:

- “1. Opposer is the first user and registered owner of the trademark ROLEX used on watches and horological and chronometric instruments. Applicant’s trademark LUPROLEX for the medical products for the management of endometriosis and prostatic cancer so resembles Opposer’s trademark and trade name ROLEX, as to be likely, when applied to or used in connection with the goods of the applicant, to create a connection between applicant’s goods and Opposer, and damage the latter’s interest as owner of the ROLEX trademark and trade name.
- “2. The registration of the trademark LUPROLEX in the name of the applicant will violate Section 37 of Republic Act No. 166, as amended, and Section 6bis of the Paris Convention and Article 16 (3) of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and Switzerland are parties.
- “3. The registration of and use by applicant of the trademark LUPROLEX will diminish the distinctiveness and dilute the goodwill of Opposer’s well-known trademark and trade name ROLEX.
- “4. Applicant’s adoption of the confusingly similar trademark LUPROLEX on its goods is likely to indicate a connection

between applicant's goods and Opposer which has been identified as the owner of the well-known trade name ROLEX.

- "5. Applicant's appropriation and use of the trademark LUPROLEX infringe upon Opposer's right and trade name ROLEX.
- "6. The registration of the trademark LUPROLEX in the name of the applicant is contrary to other provisions of the Trademark Law."

In support of the foregoing grounds relied upon by the Opposer, the following facts were alleged:

- "1. Opposer is the manufacturer of a wide variety of watches, horological and chronometric instruments and other goods in Class 14. Opposer had adopted, used and registered the trademark and trade name ROLEX for a wide variety of goods in Class 14, which Opposer has been actively promoting and selling in the market. Opposer has been commercially using the trademark and trade name ROLEX prior to the appropriation and use of the confusingly similar trademark LUPROLEX by applicant.
- "2. Opposer is the owner of trademark and trade name ROLEX, which has been registered in its name or in the name of a subsidiary company with the Bureau of Patents, Trademark and Technology Transfer for a wide variety of goods in Class 14. Opposer has also used and registered the trademark and trade name in many countries worldwide.
- "3. Opposer's trademark/trade name ROLEX is a well known trademark/trade name within the meaning of Section 6bis of the Paris Convention and Article 16 (3) of the Agreement on Trade Related Aspects of Intellectual Property Rights and is entitled to broad legal protection against unauthorized user like the applicant who has appropriated it for its own goods.
- "4. Opposer is the first user of the trademark and trade name ROLEX on a wide variety of goods in Class 14. Applicant's appropriation of the confusingly similar trademark LUPROLEX falsely indicates a connection between applicant's goods and Opposer, which has been identified as the owner of a well-known trademark and trade name ROLEX, and will lead to the dilution of Opposer's trademark and trade name to Opposer's damage and prejudice.
- "5. The registration and use of a confusingly similar trademark by applicant will diminish the distinctiveness and dilute the goodwill of Opposer's trademark and trade name."

On July 19, 1995, Respondent-Applicant filed its Answer denying all the material allegations interposed by Opposer. By way of Special and Affirmative Defense, respondent-applicant posited the following allegations:

- "1. Respondent-Applicant's trademark sought to be registered is entirely different from Opposer's alleged mark.
- "2. Respondent-Applicant's trademark is a product of a creative imagination of respondent-applicant and the same was not patterned after any trademark in existence nor has there been the

least intent to ride on any trademark's goodwill owned by any party.

- "3. The registration of respondent-applicant's trademark will not diminish nor dilute the strength of Opposer's trademark considering that there exist no basis at all for the principle of "dilution" of a mark to apply as the mark under application and the mark of Opposer are poles apart in terms of selling, presentation, in goods they respectively represent, in the manner by which the goods represented by the respective marks are sold or dispensed with to the buying public, in the counters through which the goods represented by each of the marks are passed to the buying public, in type of people or purchasers that buy the goods represented by its of the marks.
- "4. The Opposer's trademark being a mark representing watches is used entirely different from respondent-applicant's trademark used to represent pharmaceutical products.
- "5. Respondent-Applicant products is more well-known in the field of manufacture of pharmaceutical products and the same cannot be said of Opposer's product in the same field and vice-versa.
- "6. The Opposer has no cause of action against respondent-applicant.

Respondent-Applicant on its part interposed its willingness to "adopt all the issued raised in the pleadings filed in the instant case as those which must necessarily be resolved in the case."

On November 7, 1996, Opposer through counsel submitted the affidavit of its witness, Mr. Henry Jeremy Hugh Wheare together with the annexes mentioned therein. On August 14, 1997, Opposer filed a Motion praying that respondent's cross-written interrogatories be deemed waived if not filed within ten (10) days from the date thereof.

Respondent-Applicant on its part on August 22, 1997 opposed said motion and simultaneously filed the required cross-written interrogatories with Motion to Admit the same which was admitted through Order No. 97-455. Letters Commission for the taking of the deposition of Mr. Henry Wheare was properly issued on December 3, 1997 pursuant to Order No. 97-646. However, Opposer withdrew the earlier submitted affidavit of its witness Mr. Henry Wheare through Motion filed on July 22, 1998 on account of the unavailability of his testimony. In lieu thereof, it submitted the affidavit of Atty. Enrique Manuel, Opposer's Philippine trademark counsel, as its substitute witness and furnished Respondent-Applicant with a copy thereof.

On April 26, 1999, both counsels of the contending parties filed a stipulation of facts the content of which are as follows:

"JOINT STIPULATION OF FACTS

The parties, by their respective words respectfully submit the following stipulation of facts:

- "1. ROLEX is a coined word.
- "2. ROLEX is part of the trade bane of Montrex Rolex, S.A.

- “3. ROLEX and CROWN device is internationally well-known mark for watches.
- “4. Montreux Rolex, S.A. is the first user of the mark ROLEX and CROWN Device for the trademark of watches.
- “5. The trademark ROLEX and Crown Device and trade name Montreux Rolex, S.A. are in current commercial use in the Philippines for watches and for business pertaining to watches.
- “6. The Supreme Court rendered its decision in G.R. No. L-26676, dated July 30, 1982, in Philippines Refining Company, Inc., vs. Ng Sam and the Director of Patents and Trademarks rendered his Decision No. 88-78 dated August 17, 1988 in Montreux Rolex, S.A. vs. Danny Uy, copies of which are marked as Exhibits BB and CC of Atty. Enrique T. Manuel’s Affidavit.
- “7. The ROLEX and Crown Device trademark is not used on medical products.
- “8. ROLEX and Crown Device is registered in the Philippines for watches and chronological instruments but is not presently registered in any classes for medical or pharmaceutical uses in the Philippines.
- “9. Montreux Rolex, S.A. does not currently use its ROLEX mark to market or sell goods or service in the medical or pharmaceutical fields in the Philippines.
- “10. All ROLEX watches currently in the market bear the Crown Device in association with the mark “ROLEX”.
- “11. The mark LUPROLEX is presently used by respondent to identify a pharmaceutical containing the medicine with the chemical name Leuprorelin acetate.
- “12. The medicine identified or represented by the mark LUPROLEX is supposed to be available only by prescription; and in the Philippines is supposed to be administered by injection under a supervision of a medical doctor or medically trained personnel.
- “13. ROLEX watches have been sold in the Philippines since the late 1940’s.
- “14. LUPROLEX and ROLEX Crown Device have co-existed in the Philippines for over five years.
- “15. There exist no reported instance for the last five years of co-existence that products represented by LUPROLEX and ROLEX were confused as one or the other.
- “16. ROLEX products and Takeda’s products flow or are coursed through different channels of trade.

Additionally, the parties agreed that as a result of the foregoing stipulation of facts –

1. Respondent will dispense with the cross-examination of Atty. Enrique T. Manuel and Opposer will also dispense with the cross-examination of respondent's witness.
2. In lieu of cross examination, Opposer and respondent have mutual right to submit rebuttal affidavits consisting of the statements of their opposing witness other than the facts herein stipulated.

Both parties thereafter prayed that the foregoing stipulation of facts and agreement be admitted into the record.

Opposer through counsel formally offered its exhibits on June 25, 1999 consisting of Exhibits "A" to "SS" inclusive of sub-markings. These Exhibits were admitted through Order No. 99-448.

Respondent-Applicant on the other hand, formally offered its exhibits on September 25, 2000 consisting of Exhibits "1" to "1-j175" inclusive of sub-markings. The same were admitted as its evidence through Order No. 2001-168 dated April 2, 2001. Said Order further directed the parties to submit their respective Memorandum within thirty (30) days from receipt thereof. Respondent-Applicant filed its Memorandum on May 16, 2001 while Opposer did its part on May 21, 2001.

The issues to be resolved in this case are:

1. WHETHER OR NOT THE MARK LUPROLEX SOUGHT TO BE REGISTERED BY HEREIN RESPONDENT-APPLICANT IS CONFUSINGLY SIMILAR WITH THE TRADEMARK ROLEX REGISTERED IN THE NAME OF OPPOSER WHICH WHEN APPLIED TO OR USED IN CONNECTION WITH THE GOODS OF THE APPLICANT WILL CAUSE CONFUSION OR MISTAKE OR TO DECEIVE PURCHASERS.
2. WHETHER OR NOT REGISTRTAION OF THE MARK LUPROLEX IS BARRED BY THE PROVISIONS ON PARIS CONVENTION.

The facts of this case arose when the Trademark Law, Republic Act No. 166, as amended still exists which govern the matter at bar, thus, resolution of the issued herein posited by the contending parties will be governed by said law.

Initiatory acquisition of trademark right comprises of two (2) modes, namely; 1) use under Sections 2 and 2-A of R.A. No. 166, as amended; and 2) home or foreign application or registration under Section 37 of the same law.

In acquisition of right to a mark through use, the law provides that "anyone who lawfully produces or deals in merchandise of any kind or who engages in lawful business, or who renders lawful service in commerce by actual use thereof in manufacture or trade, in business and in the service rendered, may appropriate to his exclusive use a trademark, a trade name or a service mark not so appropriated by another, to distinguish his merchandise, business or service mark from the merchandise, business or service of others," (Section 2-S, R.A. no. 166 as amended).

On the other hand, Section 37 of the same law governs acquisition of right to a mark based on registration. Registration under this provision is based on foreign application or registration. This section provides that "person who are nationals of, domiciled in, or have a bona fide or effective business or commercial establishment in any foreign country, which is a party to

any international convention or treaty relating to marks or trade names or the repression of unfair competition to which the Philippines may be a party, shall be entitled to the benefits xxx to the extent and under the conditions essential to give effect to any such conditions or treaties xxx". Registration under this section is not based on use but use is required to maintain the validity of the registration.

Respondent-Applicant seeks registration of its mark without claiming foreign application or registration but based on Philippine use, thus, Section 37 of R.A. No. 166, as amended, has no application hereof.

The criteria for registrability of a trademark or trade name are those provided for under Section 4 of R.A. No. 166, as amended which consist of public or morality (Sec. 4 {a,b}) and misleading character (Sec 4 {d,e}). Registration of mark, which is found to be within the perimeter of these provisions, is proscribed. The issues in this case at bar fall squarely on Section 4(d), which provides that:

"There is hereby established a register of trademarks, trade-names and service-marks which shall be known as the Principal Register. the owner of a trademark, trade-name or service-mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register, unless it:

"xxx

"d) Consist of or so comprises a mark or trade name which so resembles a mark or trade name registered in the Philippines or a mark or trade name previously used in the Philippines by another and not abandoned as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers".

"xxx"

The mark ROLEX and Crown Device of Opposer is embedded in its product (Exhibits "D", "N" and "P" inclusive of sub-markings) and packed in a rectangular box with the mark ROLEX and Crown Device imprinted therein (Exhibit "D"). On the other hand, the mark of respondent LUPROLEX is printed in a small box right below its generic name LEUPRORELIN. The box which is white in color contains the description of the product, its composition and dosage, name of manufacturer, weight formulation, used which is for intramuscular or subcutaneous injection, and storage condition (Exhibit "1-a"). The product is used for treatment of endometriosis at genital and extra genital localization (from stage I to IV) (Exhibit "1-b"). The word ROLEX has been used as suffix with several registered trademarks in several countries used in different products (Exhibits "1-h" "1-h-17").

As shown by the evidences presented by both parties, the marks of the contending parties are not apt to confuse prospective buyers. For thought the word ROLEX of Opposer and LUPROLEX of respondent-applicant have a dominant word ROLEX and similar sounding suffixes, they appear in their respective labels with strikingly different backgrounds and surroundings as to color, size, design and number of words used and its formation. Furthermore, the product covered by ROLEX attains a common knowledge for watches, while that of LUPROLEX is expressly stated in its container box as medical product and dispensable only upon doctor's prescription and applied for injection.

Another point of consideration is the fact that Opposer's mark ROLEX and Crown Device is attached to timepieces (i.e watches under Class 14) while respondent-applicant's mark LUPROLEX is connected to medicine or pharmaceutical products particularly for endometriosis and prostatic cancer (under Class 5) and available only by prescription and in the Philippines administered by injection. Thus, the parties are dealing with non-competing products/goods

which are not even related (Joint Stipulation of Facts pars. 5 to 12) that the public will not be actually deceived nor misled that the product bearing the mark LUPROLEX come from the same producer or manufacturer of ROLEX watches. "When a trademark is used by a party for a product in which the other party does not deal, the use of the same trademark on the latter's product cannot be validly objected to", (ESSO Standard Eastern, Inc. vs. Court of Appeals, 116 SCRA 336).

The right to registration of a mark is not an absolute one. A rudimentary precept in trademark protection is that "the right to a trademark is a limited one, in the sense that others may use the same mark on unrelated goods, Sec. 221 Nims, Unfair Competition and Trademark, Vol. I p. 657. Thus, "the mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on articles of different description", 269 US 372, 70 l d 317, 46 Sct. 160. American Foundries vs. Robertson.

Equally important is the fact that word ROLEX has been used as a suffix word with several registered trademark in foreign country and being used in different products as shown in Exhibits "1-h" to "1-h-17". Some of which are hereunder reproduced as follows:

<u>MARK</u>	<u>CLASS</u>	<u>USE</u>	<u>COUNTRY/DATE REGN.</u>
ROLEXUS	9	Electrical & Scientific Apparatus	USA/04-16-1996
SAROLEX	5	Pharmaceutical	USA/12-20-1966
TROLEX	9	Electrical & Scientific Apparatus	USA/12-15-1959
UROLEX	10	Medical Apparatus	USA/12-25-1986
ADROLEX	5	Pharmaceutical	USA/08-13-1985
CENTROLEX	1	Chemicals	USA/02-02-1996
CONTROLEX	7	Machinery	USA/07-23-1996
EUROLEX	35	Advertising & Business Services	USA/07-17-1984
HIDROLEX	31	Natural Agricultural Products	USA/10-20-1993
MACROLEX	2	Paints	USA/10-01-1968
MICROLEX	9	Electrical & Scientific Apparatus	USA/03-04-1997
MICROLEX and Design	9	Electrical & Scientific Apparatus	USA/11-26-1996
MICROLEX and Design	42	Miscellaneous Service Marks	USA/Filed 08-20-1997
MICROLEX	7	Machinery	USA/01-30-1996
NEUROLEX	5	Pharmaceutical	USA/08-02-1988
PYROLEX	16	Paper Goods & Printed Materials	USA/12-06-1949

The foregoing marks bearing the word ROLEX clearly eliminates the claim of Opposer of having monopoly of the use of the mark ROLEX.

ROLEX and Crown Device and LUPROLEX have co-existed for more or less seven (7) years now in the Philippines and there is no reported incident of confusion of one for the other.

The products of the contending parties flow on different channels of distribution, (Joint Stipulation of Facts pars. 14 to 16). Normally, a person who is out in the market for the purpose of buying Opposer's goods would definitely not be mistaken, confused, or misled into buying instead of respondent-applicant's product as they are distributed in different channels. One cannot expect of a medicine vice-versa an expensive watch or timepieces having displayed and offered for sale in a drug store or pharmaceutical store. The fact that the respective goods of the contending parties flow on different channels of distribution affirmed their dissimilarity as explained by the Supreme Court in the case of ESSO Standard Eastern, Inc., vs. Court of Appeals, 116 SCRA 336, that:

“The products of each party move along and are disposed through different channels of distribution. The (petitioner's) products are distributed principally through gasoline stations, automotive shops and hardware stores. On the other hand, the (respondent's) cigarettes are sold in sari-sari store, grocery store, and other small distribution outlets. (Respondent's) cigarette even peddled in the streets while (petitioner's) gasol burners are not. Finally, there is a mark of distinction between oil and tobacco, as well as petroleum and cigarettes. Evidently, in kind and nature the products of (respondent) and of (petitioner) are poles apart.”

Moreover, the case of Philippine Refining Co., vs. Ng Sam, G.R. No. L-26676, July 30, 1982, which the Opposer invoked does not apply squarely to the case at bar. However, the ruling laid down by the Supreme Court in the case of Faberge, Incorporated vs. Intermediate Appellate Court 215 SCRA 316 squarely applied to the case at bar. In said case, petitioner challenged the registration of the mark BRUTE used for briefs manufactured and sold by private respondent Co Beng Kay through his corporation in the domestic market. Petitioner's opposition grounded on similarity of said trademark with its own symbol BRUT which was previously registered for after shave lotion, shaving cream, talcum powder, deodorant and toilet soap. The court citing the case of Philippine Refining Co. Inc., vs. Ng Sam ruled:

“By the same token in the cause of PRC vs. Ng Sam and the Director of Patents, the Court upheld the patent director's registration of the same trademark CAMIA for therein respondent's products of ham notwithstanding that its already being used by therein petitioner for a wide range of products: lard, butter, cooking oil abrasive detergents, polishing materials and soap of all kinds. The court after noting that the same CAMIA trademark had been registered by two other companies, Everbright Development Company and F.E. Zuellig, inc., for their respective products of thread and yarn (for the former) and textile, embroideries and laces (for the latter) ruled that “while ham and some of the products of the petitioner are classified under class 47 (Foods and Ingredients of Food), this alone cannot serve as the decisive factor in the resolution of whether or not they are related goods. Emphasis should be on the similarity of products involved and not on the arbitrary classification or general description of their properties or characteristics.” The Court, therefore, concluded that “In fine We hold that the business of the parties are non-competitive and their products so unrelated that the use of identical trademarks is not likely to give the confusion much less cause damage to petitioner.” (Underscoring supplied)

Likewise, the decision arrived at in Inter Partes Case No. 1878 is not applicable in this present case. In said case, registration of mark ROLEX & CROWN DEVICE in the name of Danny Uy was ordered cancelled through Decision No. 88-78 issued on August 17, 1988 as his mark was substantially similar to or a replication of the petitioner's mark ROLEX while the case at bar involves an opposition to the registration of mark LUPROLEX of Respondent-Applicant which is not similar or identical to Opposer's mark not to mention the goods which the mark ROLEX and LUPROLEX are being used.

In its bid to bar the registration of Respondent-Applicant's mark, Opposer invoked the protective mantle of Article 6bis of Paris Convention in relation to Article 16 (3) of the Trade Related Aspects of Intellectual Property Rights, claiming that its mark is internationally known at the time respondent-applicant filed its application for the mark now under consideration.

The status of the mark ROLEX being internationally well known for timepieces or watches is not an issue in this case as it is subject of the Joint Stipulation of Facts particularly paragraph 3, submitted by the parties through their respective counsels. However, before Article 6bis of the Paris Convention as well as Article 16(3) of the TRIPS Agreement relating to protection of internationally well known mark could be applied, the conditions state therein should be complied with. Said treaties provide as follows:

Article 6bis of Paris Convention

"The countries of the Union undertake, ex-officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitute a reproduction, an imitation, or a translation, liable to create confusion or registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. The provision shall also apply when essential part of the mark constitute a reproduction of any such well-known mark or imitation liable to create confusion therewith. (Underscoring supplied)

Article 16 (3) of TRIPS Agreement

Article b (bis) of the Paris Convention (1967) shall apply *mutatis mutandis*, to goods or service which a trademark is registered, provided that the use of the trademark in relation to those goods and the owner of the registered trademark and provided that the interest of the owner of the registered trademark are likely to be damaged by such use." (Underscoring supplied)

In the case of Canon Kabushiki Kaisha vs. Court of Appeals, G.R. No. 120900, July 20, 2000, the Supreme Court cited in affirmation the set of guidelines in the implementation of the Paris Convention contained in the Memorandum issued by then Minister of Trade and Industry Roberto V. Ongpin of the Director of Patents dated 25 October 1983, to wit:

- (a) The mark must be internationally known;
- (b) The subject of the right must be a trademark, not a patent or copyright or anything else;
- (c) The mark must be for use in the same or similar kinds of goods; and
- (d) The person claiming must be the owner of the mark (The parties Convention Commentary on Paris Convention. Article by Dr. Bogsch, Director General of the World Intellectual Property Organization, Geneva, Switzerland, 1985).

Notably, from the records of the case at bar, Opposer failed to meet the requirement of Article 6(bis) of the Paris Convention and the said Memorandum of Minister of Trade Roberto V. Ongpin, that is, that the mark must be used for the same or similar kind of goods in order to be entitled to protection. Opposer is using the mark ROLEX and Crown Device for products belonging to Class 14 (horological and other chronometric instruments) while respondent-applicant is using the mark LUPROLEX for medicine (Class 5). Thus, Article 6bis of the Paris Convention cannot be applied in the case at bar. Likewise, Article 16(3) of the TRIPS Agreement cannot likewise be squarely applied considering that the use of Respondent-Applicant LUPROLEX on medical products would not indicate any connection to the timepieces which are the goods of Opposer bearing the trademark ROLEX, and that such use of the mark by Respondent-Applicant would likely damage Opposer.

WHEREFORE, in view of the foregoing, the instant Notice of Opposition is hereby DENIED for lack of merit. Accordingly, Application Serial No. 82152 filed by Takeda Chemical Industries, Ltd. on March 31, 1993 for the registration of LUPROLEX for medical products is hereby given DUE COURSE.

Let the filewrapper subject matter of this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.

Makati City, 30 May 2002.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs