NOVARTIS AG.,	}	Inter Partes Case No. 14-2007-00216
Opposer,	}	Case filed on:
	}	
	}	Opposition to:
-versus-	}	Appln.Ser. No. : 4-2005-008779
	}	Date Filed : 06 September 2005
	}	Trademark : "EMUXEL"
PHARMA DYNAMIC, INC.,	}	
Respondent-Applicant.	}	
x----------x		Decision No. 2009-69

DECISION

For decision is the Notice of Opposition filed by Novartis AG, Opposer herein, a corporation organized and existing under the laws of Switzerland, with address at 4002 Basel, Switzerland against Application Serial No. 4-2005-008779 for the mark EMUXEL for goods under class 5 namely "Pharmaceutical preparations for the treatment of cough associated with excessive and tenacious bronchial secretions as in acute and chronic bronchitis, asthma, bronchiectasis and emphysema filed on 6 September 2005 in the name of Pharma Dynamic, Inc., respondent-applicant herein with address at 71 Mysilo St., Mandaluyong City.

The grounds for opposition are as follows:

"1. The trademark EMUXEL being applied for by Respondent-applicant is confusingly similar to Opposer's trademark EMULGEL, as to be likely when applied to or used in connection with the goods of the Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public.

2. The registration of the trademark EMUXEL in the name of the Respondent-Applicant will violate Section 123.1, sub-paragraph (d) and (e) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines and Section 6bis and other provisions of the Paris Convention for the Protection of Industrial Property to which the Philippines and Switzerland are parties.

3. The registration and use by Respondent-Applicant of the trademark EMUXEL will diminish the distinctiveness and dilute the goodwill of Opposer's trademark EMULGEL.

4. The registration of the trademark EMUXEL in the name of the Respondent-Applicant is contrary to the provisions of the Intellectual Property Code of the Philippines."

In support of the opposition, opposer submitted the following evidence:

EXHIBITS	DESCRIPTION
"A"	Legalization of Joint Affidavit
"A-1" to "A-6"	Joint Affidavit of Sue Evans and Genevieve Graeff
"A-6-a"	Signature of Sue Evans
"A-6-b"	Signature of Genevieve Graeff

"A-7"	Notarization of Joint Affidavit
"B"	Certificate of Registration No. 51423
"C"	Certificate of Product Registration of EMULGEL
"D" to "D-6"	Certified Extract of Trademark EMULGEL under Registration No. P-313377 from Swiss Commercial Register
"E" to "E-4"	Sales Invoices, copies of product pricing information
"F" to "F-2"	List of countries where goods bearing EMULGEL are sold
"G" to "G-2"	List of countries where EMULGEL is registered
"H" to "H-8"	Marketing materials for VOLTAREN EMULGEL

A Notice to Answer dated 25 July 2007 was sent to respondent-applicant who filed its Answer on 6 December 2007. In its Answer, it raised the following special and affirmative defenses, to wit:

"9. Respondent-Applicant carries three (3) products under its EMUXEL line. The products are (a) EMUXEL 500 mg Capsule Mucolytic; (b) EMUXEL 100mg/5ml of Syrup Mucolytic; and (c) EMUXEL 50mg/ml Syrup (Oral Drops) Mucolytic. The EMUXEL products are under the generic name "*Carbocisteine.*" All EMUXEL products are for oral intake.

"10. The product name EMUXEL has been in use since its product launch in 1985. EMUXEL products are all registered with the Bureau of Food and Drug (BFAD) of the Department of Health (DOH).

10.a EMUXEL 500 mg capsule (blister pack) has been registered with the BFAD as early as 1991. Its registration has been subsequently renewed. This product has been in the market since 1991. This medication is for adult only. Attached herewith are the certified true copies of the BFAD registration of EMUXEL 500mg capsule (blister pack) herein referred to as Annexes "1" to "2" and made an integral part hereof.

10.b EMUXEL 100mg/5ml Syrup has been registered with the BFAD as early as 1993. Its registration has been subsequently renewed. Just like EMUXEL 500mg capsule, this product has been in the market since 1993. Attached herewith are certified true copies of the BFAD registration of EMUXEL 100mg/ml Syrup herein referred to as Annexes "3" and "4" and made an integral part hereof.

10.c EMUXEL 50mg/ml Drops (Syrup) has been registered with the BFAD since 1985, its product launch. Its registration has been subsequently renewed. This product has been in the market since 1985. Attached herewith are certified true copies of the BFAD registration EMUXEL 50mg/ml Drops (Syrup) herein referred to as Annexes "5" and "6" and made an integral part hereof.

Due to difficulty in obtaining the other initial and/or renewal certificates from BFAD, Respondent-Applicant reserves the right

to present the other certificates from BFAD and/or request for the necessary subpoena from said office.

"11. EMUXEL has always been consistently and continuously advertised and listed with the MIMS Asia locally known as Philippines Index of Medical Specialties. Its classification in MIMS Asia is under "*Respiratory*". Attached herewith are copies of the advertisement made on MIMS Asia for EMUXEL products herein referred to as Annexes "7" to "18" including its sub-markings, and made integral parts hereof. Respondent-Applicant reserves the right to present the original MIMS Asia when required by the Honorable Office considering that MIMS Asia publication are books for, and are therefore voluminous.

"12. The EMUXEL trademark is patently different and dissimilar with Opposer's VOLTAREN *EMULGEL* trademark and will not result in any conclusion to the general public based on the following grounds:

12.a As to form, the EMUXEL products are for oral intake. VOLTAREN Emulgel on the other hand is for external use only for being an emulgel for tropical application. Attached herewith are actual packaging of the EMUXEL products as well as VOLTAREN Emulgel with their corresponding literatures, herein referred to as Annexes "19" to "22" including its sub-markings, and made an integral part hereof.

Products	Packaging/Appearance	Size and Form
EMUXEL 500 mg Capsule Mucolytic (For Adult Use)	White powder in dark green cap/light green body with PDI print, size "0"	Tablet form (Oral Intake)
EMUXEL 100mg/5ml Syrup Mucolytic (For the use of children from 1 year old to 12 years old, and adult)	The box has apple green background color with dark green top border. The letter prints for the generic name (Carbocisteine) and brand name (Emuxel) are also dark green color Black colored letters are used for all literature appearing on the box. It is also designed with a bunch of three (3) cherries colored red and a red oblong with the words in white "Wild Cherry Vanilla Flavor" seen below the "100mg/5ml Syrup Mucolytic" Respondent-Applicant's name is printed in blue-violate color with its logo.	Liquid for (Oral Intake)
EMUXEL 50 mg/ml Syrup (Oral Drops)	The box has apple green background with fuchsia top	Liquid for (Oral Intake)

Mucolytic (Pediatric use from infants to 2 years old)	borders. The letter prints for the generic name (Carbocisteine) and brand name (Emuxel) are also in fuchsia color. Black colored letters are used for all other literature appearing on the box. It is also designed with five (5) cherries colored red and a red oblong with the words in white "Wild Cherry Vanilla Flavor" seen below the "50 mg/ml Syrup (Oral Drops) Mucolytic" Respondent-Applicant's name is printed in dark blue color with its logo	
VOLTAREN Emulgel	The brand name "Voltaren" and the generic name "diclofenac" are in blue colored letters while "1% Emulgel" is italized and gray colored. On top of the generic name appears the logo and company name "Novartis". Below the word "Voltaren" is the phrase in small blue letters is "Non-steroidal Anti-inflammatory". These are written on the left side of the package in white background. The right side of the packaging is hue of orange o yellow with the phrase in white letters "Right on the Site of Pain and Inflammation" and has a human form with feet apart and arms raised to shoulder level.	Ointment form in tube (for tropical use)

12.b As to formulation, the EMUXEL products' generic name as appearing in its packaging is "*Carbocisteine*". On the other hand, VOLTAREN Emulgel generic name is "*Diclofenac*". Clearly, these two marks are different with no similarity whatsoever.

12.c As to indications or use, the EMUXEL products are medicines for the treatment of "*all types of cough including those associated with excessive and tenacious bronchial secretions as in acute and chronic bronchitis, asthma, bronchiectasis and emphysema, for*

cough induced sinusitis and otitis media". The indications of use of VOLTAREN Emulgel is exclusively for the treatment of "*post-traumatic inflammation of the tendons, ligaments and joints, e.g. Due to sprains, strains and bruises; localized form of soft-tissue rheumatism, e.g. Tendovaginitis, bursitis, shoulder-hand syndrome and periarthrophy; localized form of degenerative rheumatism, e.g. Osteoarthosis of the peripheral joints and of the vertebral column.*"

12.d As to packaging, Respondent-Applicant's EMUXEL line is entirely and obviously different with Opposer's VOLTAREN Emulgel as to appearance, size and form of medication.

12.e As to pronunciation and spelling, the brand name EMUXEL is not confusingly similar or identical to Opposer's VOLTAREN Emulgel. Respondent-Applicant EMUXEL is only one word while that of Opposer's VOLTAREN Emulgel consist of two words.

Moreover, Respondent-Applicant's trademark consists only of six letters while that of Opposer has a total of thirteen letters. Likewise, the pronunciation of letter "X" is entirely different from the letters "LG". Evidently, the two trademarks are actually, obviously and patently dissimilar and different with each other as to name, spelling, size, form, indication and packaging. Thus, Respondent-Applicant's brand name will not cause confusion and mistake to the general public.

"13. Opposer claims that it has prior use and ownership of the word EMULGEL and has submitted documents to support its claim. Unfortunately, the documents submitted does not prove its ownership thereof.

13.a Opposer's BFAD Certificate of Product Registration (Annex "B", Exhibit "C" of Opposer's "Verified Notice of Opposition") reveals that the brand name is "VOLTAREN" and the generic name is "DICLOFENAC (as diethylamine) 1 g/100 g (1%) emulgel". By this document, it is clear that the emulgel was not registered as a brand name but as a generic name.

13.b Opposer's attached registration of trademark allegedly registered in different parts of the world would also reveal that the registration is for "VOLTAREN *Emulgel*" or VOLTAREN alone, but not for the single word *Emulgel*".

13.c Opposer's attached sales invoice and advertising materials are for "VOLTAREN Emulgel" and not for a product called "*Emulgel*".

"14. Respondent-Applicant maintains that the word "*emulgel*" is not registrable under the Intellectual Property Code of the Philippines, specifically Section 123.1 sub-paragraph (h). Said provision provides that a mark cannot be registered if it consists exclusively of signs that are generic for the goods and services that they seek to identify.

"15. In support of the above claim, under AAPS Journal published on 11 October 2004, the term "*Emulgel*" is a medical term and defined as emulsion, "*either of the oil-in-water or water-in-oil type, which are gelled by mixing with a gelling agent*". Necessarily, the word "*emulgel*" is not

registrable, which explains that in Opposer's BFAD Certificate of Registration, the word "emulgel" was found in the generic name section and not under the brand name. Moreover, in the same AAPS Journal, it also revealed that in "local Egyptian market, 2 emulgels are available: Voltaren emulgel (Novartis Pharma, Basel, Switzerland), containing diclofenac diethylamine, and Miconaz-H emulgel (Medical Union Pharmaceuticals, Abus-Sultan, Ismailia, Egypt), containing miconazole nitrate and hydrocortisone. Evidently, the term *emulgel* is generic in nature, thus Opposer should be made to execute a disclaimer for the word "*emulgel*". Attached herein referred to as Annex "23" and made an integral part hereof.

"16. Based on the foregoing, the trademark EMUXEL of Respondent-Applicant is entirely, completely dissimilar and distinct with Opposer's trademark VOLTAREN Emulgel. Respondent-Applicant's EMUXEL is different in spelling, appearance, packaging, sound/pronunciation, form and formulation to Opposer's VOLTAREN. Therefore, "EMUXEL" will not cause confusion to the general public. Necessarily, the trademark "EMUXEL" should be allowed registration under the Intellectual Property Law of the Philippines.

Respondent-Applicant submitted the following Annexes in its defense, to wit:

Annex	Nature/Description of Document
"1"	BFAD Certificate of Product Registration with BFAD Registration No. DR-XY1634 dated 07 November 1991 for EMUXEL 500mg. Capsule (blister pack)
"2"	BFAD Certificate of Product Registration with BFAD Registration No. DR-XY1634 dated 07 November 2004 for EMUXEL 500mg. Capsule (blister pack)
"3"	BFAD Certificate of Product Registration with BFAD Registration No. DR-XY1951 dated 16 February 1993 for EMUXEL 100mg/5ml Syrup
"4"	BFAD Certificate of Product Registration with BFAD Registration No. DRHR-776 dated 25 January 2007 for EMUXEL 500mg/5ml Syrup
"5"	BFAD Certificate of Product Registration with BFAD Registration No. DR-XY6271 dated 02 October 1992 for EMUXEL 50 mg/ml Drops (Syrup)
"6"	BFAD Certificate of Product Registration with BFAD Registration No. DR-XY6271 dated 28 January 2003 for EMUXEL 50 mg/ml Syrup (Oral Drops)
"7" to "18" including sub-markings	PIMS (MIMS Philippine) Advertisement for the years 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2003, 2004, 2005, 2006, 2007
"19" and "19-A"	Packaging and literature of EMUXEL 500 mg capsule Mucolytic
"20" and "20-A:	Packaging and literature of EMUXEL 100 mg/5ml Syrup Mucolytic
"21", "21-A" and "21-B"	Packaging and literature of EMUXEL 50 mg Syrup (Oral Drops) Mucolytic
"22" and "22-A"	Packaging and literature of Packaging and literature of EMUXEL 500 mg capsule Mucolytic VOLTAREN 1% EMUGEL

"23"	Internet generated write-up on Emulgel from AAPS journal published on October 11, 2004

A preliminary conference was held set on 10 January 2008 but no amicable agreement was reached by the parties. The issue is whether there the marks EMULGEL and EMUXEL are confusingly similar as to cause confusion, mistake and deception among the buying public.

The contending marks are reproduced below for comparison and scrutiny.

Opposer's mark	Respondent-Applicant's mark
EMULGEL	EMUXEL

Taking into consideration the literal elements of the mark, the prefix EMU and the last two letters of the two marks are the same. However, there are different letters incorporated in the marks, LG by the opposer and X by respondent-applicant such that when the word are pronounced, they produce a different and distinct sound.

Reviewing the evidence, it appears that the opposer has obtained a registration for the mark EMULGEL under Registration No. 47576 (Exhibit "B") dated March 22, 1990 with the then BPTTT. The goods for which the mark EMULGEL is used as indicated in the registration are "Medicines, pharmaceutical drugs and preparations, veterinary products under Class 5. As regards to the Certificate of Product Registration with BFAD Registration No. DR-XY27796 (Exhibit "C") dated 9 September 2004, it appears that the brand name as indicated in the document is VOLTAREN while the generic name is DICLOFENAC (as diethylamine) 1g/100 (1%) EMULGEL. In this certificate, the approved indication for this drug is for "treatment of localized forms of soft tissue rheumatism, localized rheumatic diseases and post-traumatic inflammation of the tendons, ligaments, muscles and joints." As proof of use, opposer presented a sales involve dated 8 June 2007 to Mercury Drug Corporation for various products which include "VOLTAREN 1% EMULGEL 20G (LM)".

On the other hand, respondent-applicant filed its application for the mark EMUXEL on 6 September 2005. Prior to this date, it appears that the respondent-applicant secured from the BFAD several certificates of product registration with the following details, to wit: BFAD Registration No. DR-XY1634 – Certificate of Product Registration dated Nov. 7, 1996 (Annex "1"), for the brand EMUXEL 500 mg. capsules, generic name: Carbocisteine 500 mg; BFAD Registration No. DR-XY1634 Certificate of Product Registration dated Nov. 9, 2004 (Annex "2") for the brand name EMUXEL, generic name: Carbocisteine 500 mg. capsule; Certificate of BFAD Registration No. DR-XY1951 – Certificate of Product Registration dated Feb. 16, 1993 (Annex "3") for the brand EMUXEL 100 mg./5 ml SYRUP, generic name: Carbocisteine 100mg/5 ml. SYRUP; Certificate of BFAD Registration No. DR-HR-776 – Certificate of Product Registration dated January 25, 2007 (Annex "4") for the brand EMUXEL, generic name: Carbocisteine 100 mg/5 ml. SYRUP; Certificate of BFAD Registration No. DR-XY6271 – Certificate of Product Registration dated October 2, 1992 (Annex "5") for the brand EMUXEL 50 mg./ml DROPS (SYRUP), generic name: Carbocisteine 100 mg/5 ml. SYRUP; and Certificate of BFAD Registration No. DR-XY6271 – Certificate of Product Registration dated January 28, 2003 (Annex "6") for the brand EMUXEL 50mg./ml SYRUP (ORAL DROPS), generic name: Carbocisteine 50 mg/ ml. SYRUP (ORAL DROPS).

Clearly, even if the products of the parties are classified under the same Class 5, the drugs are used for diverse medical conditions. Exhibit "H-4" which is a picture of opposer's label indicate that the indications for the product are "post traumatic inflammation of the tendons, ligaments and joints, e.g. due to sprains, strains, bruises. Localized forms of soft tissue rheumatism, e.g. tendovaginitis, bursitis, shoulder-hand syndrome and periathropathy. Localized

forms of degenerative rheumatism, e.g. osteoarthritis of the peripheral joints and of the vertebral column. Moreover, the administration or the application of the drug is made locally by rubbing in gently. The packaging of opposer's product (Annex "22") state that it is for inflammation and it is in gel form (Annex "23") as seen from an article about is formulation.

The product of respondent-applicant is in samples of its packaging (Annex "19", "20", "21") show that the drugs are in capsule form, syrup and oral drops. The respondent-applicant's product is a mucolytic and as seen from its BFAD registrations, the drugs are generally for all types of cough including those associated with excessive and tenacious bronchial secretion as in acute and chronic bronchitis, asthma, bronchiectasis and emphysema, for cough induces and otitis media.

In American Cyanamid Company vs. Director of Patents, G.R. No. L-23954. April 29, 1977, the Supreme Court held:

> "(c) The printed matter on the label: A very important point of difference between the labels of the parties is found in the contents of the printed matter. In the label Exhibit B, the product is described in bold green letters as "Drinking Water Solution" and the printed directions indicate that it is for use of chicken flocks, turkeys, ducks, as well as in certain conditions for horses, cattle, calves, sheep, and swine. On the other hand, in respondent's label Exhibit C what are printed in bold red letters are "Tablet Veterinary". Except for the use of the words "Adult Birds" and "Small chicks", there is nothing in Exhibit C which indicates that the preparation may be used for turkeys, ducks, or for any other domesticated animals mentioned in the SULMET label. On this point, it is significant to note that the product represented by the trademarks of the parties is a medicinal preparation for veterinary use, consequently, a prospective buyer will be cautious and prudent enough to examine the contents of the printed matter on the label, unlike in a situation where the product is for ordinary personal or household use, such as soap and other toilet articles, biscuits, candies, and the like where the consumer is not expected to exercise more than ordinary diligence in the choice of selection of the article he is buying. Here, it is hardly possible for a purchaser not to ascertain that what he is purchasing is a medicine for use of chicken alone or for other four-legged animals, and in the process mistake a water solution for a tablet or vice-versa."

Finally, in determining the likelihood of confusion, the type of purchasers and the circumstances attendant to the sale must also be considered. In the case of Etepha v. Director of Patents [G.R. No. L-20635, March 31, 1966.]

> "In solution of a trademark infringement problem, regard too should be given to the class of persons who buy the particular product and the circumstances ordinarily attendant to its acquisition. (87 C.J.S., p. 295). The medicinal preparations, clothed with the trade marks in question, are unlike articles of everyday use such as candies, ice cream, milk, soft drinks and the like which may be freely obtained by anyone, anytime, anywhere. Petitioner's and respondent's products are to be dispensed upon medical prescription. xxx
>
> We concede the possibility that buyers might be able to obtain Pertussin or Atussin without prescription. when this happens, then the buyer must be one thoroughly familiar with what he intends to get, else he would not have the temerity to ask for a medicine – specifically needed to cure a given ailment. In which case, the more improbable it will be to palm off one for the other. For a person who purchases with open eyes is hardly the man to be deceived. (Emphasis supplied)

Not only are the marks different in spelling and pronunciation, the products are used to remedy different ailments. One is anti-inflammatory while the other is a mucolytic. Opposer's product is in gel form administered topically while respondent-applicant's product is in syrup or capsule form taken orally. The generic names are written prominently in their respective labels, opposer's product is diclofenac while respondent-applicant's generic name is carbocisteine. Finally, as seen from opposer's label, its mark is written with the word VOLTAREN, in the manner VOLTAREN 1% EMULGEL. Thus, the Bureau concludes that no confusion is likely to result from the use of respondent-applicant of the mark EMUXEL.

WHEREFORE, premises considered, the OPPOSITION filed by Novartis AG, opposer is hereby DISMISSED. Accordingly, Application Serial No. 4-2005-008779 filed by Pharma Dynamic, Inc., respondent-applicant on 6 September 2005 for registration of the mark "EMUXEL" used on goods under Classes 5, is, as it is, hereby GIVEN DUE COURSE.

Let the filewrapper of "EMUXEL", 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, 11 June 2009.

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