

NOVARTIS AG,  
Opposer,

- versus -

SUHITAS PHARMACEUTICALS, INC.  
Respondent-Applicant.

x-----x

IPC No. 14-2010-00039  
Opposition to:

Appln. Serial No. 4-2009-003947  
Date Filed : 21 April 2009  
Trademark : "OBESTAL"

Decision No. 2010-52

## DECISION

NOVARTIS AG ("Opposer"), a corporation duly organized and existing under and by virtue of the laws of Switzerland, with business address at 4002 Basel, Switzerland, filed on 09 February 2010 an opposition to Trademark Application Serial No. 4-2009-003947. The application, filed by SUHITAS PHARMACEUTICALS, INC. ("Respondent-Applicant"), a corporation organized and existing under and by virtue of the laws of the Philippines with office address at 3<sup>rd</sup> Floor Centrepoint Building, Pasong Tamo corner Export Bank Drive, Makati City, on 21 April 2009, covers the trademark "OBESTAL" for use on pharmaceutical products for anti-obesity<sup>1</sup> under Class 05.<sup>2</sup>

The Opposer alleges the following:

"6. The trademark OBESTAL being applied for by respondent-applied is confusingly similar to opposer's trademark OBESAN, as to be likely, when applied to or used in connection with the goods of respondent-applicant, to cause confusion, mistake and deception on the part of the purchasing public.

"7. Opposer has exclusively adopted the trademark OBESAN to designate goods under International Class 5. In the Philippines, it is the owner and registrant of the trademark OBESAN with the Intellectual Property Office, the particulars of which are, as follows:

Trademark	:	OBESAN
Registrant	:	Novartis AG
Certificate of		
Reg. No.	:	4-2009-000544
Date Filed	:	16 January 2009
Date Issued	:	25 June 2009
Goods	:	Pharmaceuticals veterinary and sanitary preparations; Dietetic substance adapted for medical use, food for babies; plasters, materials for dressings; materials for stopping teeth, dental wax

"8. A copy of Certificate of Registration No. 4-2009-000544 is enclosed herewith as Annex 'A' and made an integral part hereof.

The registration of the trademark OBESTAL in the name of respondent-applicant will violate Section 123.1 subparagraph (d) of the Intellectual Property Code of the Philippines, to wit:

X X X

---

1 The application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 12 October 2009.

2 The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

“9. The registration and use by respondent-applicant of the trademark OBESTAL will diminish the distinctiveness and dilute the goodwill of opposer’s trademark OBESAN.

“10. The registration of the trademark OBESTAL in the name of respondent-applicant is contrary to the other provisions of the Intellectual Property Code of the Philippines.

“FACTS AND CIRCUMSTANCES IN SUPPORT OF THE OPPOSITION:

“1. Respondent-applicant’s mark OBESTAL, being applied for registration, is confusingly similar to opposer’s mark OBESAN, as to be likely, when applied to or used in connection with the goods of respondent-applicant, to cause confusion, mistake and deception on the part of the purchasing public.

“11. It needs no exhaustive examination of the mark OBESAN of opposer and the mark OBESTAL of respondent-applicant to see their confusing similarity. x x x

“12. The mark OBESTAL of respondent-applicant Suhitas Pharmaceuticals, Inc. is confusingly similar with the trademark OBESAN of opposer Novartis AG since:

- a. The first four (4) letters of both marks, i.e., O-B-E-S of opposer’s mark and respondent-applicant’s mark, are identical and similarly positioned. Moreover, the two (2) marks consist of almost the same number of letters seven (7) for OBESTAL and six (6) for OBESAN. Hence, when viewed from a distance, opposer’s and respondent-applicant’s marks look the same.
- b. Moreover, the syllables O-BES-TAL of the opposed mark are almost identical to the syllables O-BES-AN of Novartis’ mark. Hence, both marks sound alike when pronounced due to the similarity of the letters, syllables and their respective positions.
- c. Both marks are word marks in plain, block lettering and not stylized. Neither are in color nor are compounded with a unique device or design. Hence, the similarity between the two (2) marks is even more pronounced or enhanced.
- d. Because of the near unanimity in the letters and syllables of the two (2) marks, the syntax, the sound and the pronunciation of the words are the same. Phonetically therefore, the two (2) marks are confusingly similar.

“13. Indubitably, opposer’s and respondent-applicant’s marks are confusingly similar. The case of American Wire and Cable Co. vs. Director of Patents (G.R. No. L-26557, February 18, 1970) where the Supreme Court found that DURAFLEX and DYNAFLEX are confusingly similar, finds application in the instant case, x x x.

“14. The slight difference in the last syllable of the marks, TAL for respondent-applicant and AN in opposer’s mark, does not negate confusing similarity between the marks of opposer and respondent-applicant. The test of confusingly similarity which would preclude the registration of a trademark is not whether the challenged mark would actually cause confusion, mistake or deception in the minds of the purchasing public but whether the use of such mark would likely cause confusion or mistake. x x x

“15. Moreover, it is settled jurisprudence that identity or similarity in the dominant features of two (2) competing marks will cause mistake or confusion in the minds of the purchasing public. x x x

“II. The goods covered by respondent-applicant’s mark OBESTAL are similar, related to and competing with the goods of opposer’s mark OBESAN such that respondent-applicant’s use of its mark will be more likely to cause confusion in the minds of the purchasing public.

x x x

“III. Respondent-applicant obviously intends to trade on the goodwill of opposer since there is no reasonable explanation for respondent-applicant to use the mark OBESTAL when the field for its selection is so broad.

“23. Opposer Novartis AG is considered a world leader in providing medicines to protect health, prevent and treat diseases, and to improve well-being. In 2008, its group net sales amounted to US\$41,459,000,000. Its pharmaceutical business alone posted sales of US\$26,331,000,000.

“24. Furthermore, opposer has invested vigorously in research and development to continue bringing new and innovative products to the market. As such, it invested a total of US\$7,214,000,000 in research and development in 2008.

“25. Opposer has exclusively adopted the trademark OBESAN to designate goods under International Class 5. In the Philippines, it is the owner and registrant of the trademark OBESAN\J with the Intellectual Property Office, x x x.

“26. A boundless choice of words, phrases and symbols is available to a person who wishes to have a trademark sufficient unto itself to distinguish its products from those of others. There is no reasonable explanation therefore for respondent-applicant to use the mark OBESTAL for ‘pharmaceutical (anti-thrombotic)’ under the same Class 5 when it is clearly confusingly similar to OBESAN of opposer and the field for its selection is so broad. Respondent-applicant obviously intends to bank on the goodwill of opposer and pass off its products as those of opposer.”

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 16 March 2010. The Respondent-Applicant, however, did not file an Answer. Thus, pursuant to Rule 2, Section 11 of the Regulations on Inter Partes Proceedings, as amended, the case was deemed submitted for decision on the basis of the opposition and evidence submitted. The Opposer’s evidence consists of the following:

1. Exhibit “A” - Certificate of Registration trademark OBESAN
2. Exhibit “B” - Certificate of Authentication;
3. Exhibit “B-1” to “B-4” - Joint Affidavit Testimony of Marcus Goldbach and Maunella Hillewaert;
4. Exhibit “B-5” to “B-6” - Legalization of the Joint Affidavit; and
5. Exhibit “C” to “C-3” - Novartis AG’s Annual Report for 2008

Should the Respondent-Applicant be allowed to register the mark OBESTAL in its favor?

It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and

to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>3</sup> Thus, Sec. 123.1 (d), of the IP (ode provides that a mark cannot be registered if it:

(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;

Records and evidence show that at the time the Respondent-Applicant filed its trademark application on 21 April 2009, the Opposer already had an existing trademark application for the mark OBESAN filed on 16 January 2009. This application ripened into registration on 25 June 2009 under Registration No. 42009000544, valid until 25 June 2019.<sup>4</sup>

The questions now are: Are the marks identical and used on the same or closely related goods or services? Or, do they resemble each other that deception or confusion is likely to occur?

The competing marks are reproduced below for comparison

**OBESAN**

Opposer's Trademark

**OBESTAL**

Respondent-Applicant's Trademark

There is no doubt that the competing marks are similar and share resemblances in their respective visual and aural features. The competing marks contain three (3) syllables with an identical first four letters: "O", "B", "E" and "S". These identical letters when spoken with the ending syllables, "AN" for Opposer and "TAL" for Respondent-Applicant are likely to produce confusing sonance.<sup>5</sup> Moreover, the appearance of the marks shows no distinguishing device, font and color. Both marks appear in plain and block font, which contribute to its over-all similarity.

It is stressed that the conclusion (of similarity) created by the use of the same word as the primary element in a trademark is not counteracted by the addition of another term. By analogy, confusion cannot also be avoided by merely dropping, adding or changing one of the letters of a registered mark.<sup>6</sup> Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other.<sup>7</sup> The copycat need not copy the entire mark, but it is enough that he takes one feature which the average buyer is likely to remember.<sup>8</sup>

Considering that the competing marks resemble each other, it is likely for the consumers to commit mistake, or be deceived or confused. Corollary, the law does not require actual confusion, it being sufficient that confusion is likely to occur.<sup>9</sup>

---

3 *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999, citing *Etepha v. Dir. of Patents, supra, Gabriel v. Perez*, 55SCRA406(1974). Article15, par. (1), Art.16, par91), of the Trade related Aspect of Intellectual Property (TRIPS Agreement).

4 See also Sec. 147 of the IP Code.

5 See *Saplin Co. v. Balma ceda*, 67 Phil. 795, on rule on *idem sonams*

6 Reference: *Continental Connector Corp. v. Continental Specialties Corp.*, 207 USPQ.

7 See *Societe des Produits Nestle, S.A. v. Court of Appeals*, G.R. No. 112012,04 April 2001

8 Ref. *Nims, The Law of Unfair Competition and Trademarks*, 4th Ed. Vol. 2, pp. 678-679.

9 See *Philips Export B. V., et al. v. Court of Appeals, et al.*, G.R. No. 96161, 21 February 1992.

The Respondent-Applicant's intent to deceive or confuse the consumers by coming up with a mark that resembles the Opposer's mark in appearance and sound is obvious. The Respondent-Applicant will use OBESTAL on "pharmaceutical products namely, anti-obesity." These goods are similar to the goods covered by the Opposer's registered mark, specifically, "pharmaceutical preparations namely, appetite depressants, antiobesity preparations, weight reducing preparations, dietetic substance adapted for medical use, food for babies, plasters, materials for dressings, stopping teeth and dental wax."

Accordingly, the Respondent-Applicant's application is proscribed by Section 123.1 (d) and, therefore, should not be allowed

WHEREFORE, premises considered, the instant OPPOSITION is hereby SUSTAINED. Let the file wrapper of Trademark Application No. 4-2009-003947, together with a copy of this Decision, be returned to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 27 July 2010.

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