

NOVARTIS AG,
Opposer,

- versus -

AMBICA INTERNATIONAL
TRADING CORPORATION
Respondent-Applicant.
x-----x

IPC No. 14-2008-00242
Opposition to:

Appln. Serial No. 4-2007-014167
Date Filed: 21 December 2007

Trademark: "MYOTAN"

Decision No. 2010-47

DECISION

NOVARTIS AG ("Opposer"), a corporation duly organized and existing under and by virtue of the laws of Switzerland, with business address at CH-4002 Basel, Switzerland, filed on 06 October 2008 an opposition to Trademark Application Serial No. 4-2007-014167. The application, filed by AMBICA INTERNATIONAL TRADING CORPORATION ("Respondent-Applicant"), a domestic corporation with address at NO.4 Vatican St., Merville Park Subd., Parañaque City on 21 December 2007, covers the trademark "MYOTAN" for use on goods under Class 05¹: pharmaceutical products used in the treatment of hypertension.²

The Opposer alleges the following grounds for the opposition:

"1. The trademark MYOTAN being applied for by respondent-applicant is confusingly similar to opposer's trademark DIOVAN, 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.

"2. The registration of the trademark MYOTAN in the name of respondent-applicant will violate Section 123.1, subparagraph (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 MYOTAN will diminish the distinctiveness and dilute the goodwill of opposer's trademark DIOVAN.

"4. The registration of the trademark MYOTAN in the name of respondent-applicant is contrary to other provisions of the Intellectual Property Code of the Philippines.

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

"1. Opposer is the owner of and/or registrant of and/or applicant in many trademark registrations and/or applications of the trademark DIOVAN around the world under International Class 5, more particularly for 'Medicines, pharmaceuticals preparations, namely cardiovascular products'.

"2. In the Philippines, opposer is the registrant of the trademark DIOVAN, as follows:

Trademark : DIOVAN

¹ 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.

² The application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 06 June 2008.

Certificate of
Regn. No. : 4-1996-109408
Date Issued : June 23, 2000
Appln. No. : 107079
Date Filed : March 28, 1996
Goods : Medicines, pharmaceutical preparations
Namely cardiovascular products

“3. By virtue of opposer’s registration of the trademark DIOVAIN in the Philippines and its prior application and/or registration and ownership of this trademark around the world, said trademark has therefore become distinctive of opposer’s goods and business.

“4. The trademark MYOTAN of respondent-applicant Ambica International Trading Corporation is confusingly similar with the registered trademark DIOVAN of opposer Novartis AG since:

- a. Both marks cover similar goods under International Class 5.

Opposer’s mark DIOVAN covers: ‘Medicines, pharmaceutical preparations namely cardiovascular products’,

While respondent-applicant’s mark MYOTAN covers: ‘Pharmaceutical products used in the treatment of hypertension’.

The goods being similar, they are sold, marketed and/or found in the same channels of business and trade, thus compounding the chance of confusion.

- b. Both have the same number of letters which is six (6). Visually therefore respondent-applicant’s mark MYOTAN is susceptible to be mistaken or confuse with opposer’s trademark DIOVAN.
- c. The third letter, i.e. O, and the last two letters of both marks, i.e. A-N are placed in a similar position.
- d. The second letter of opposer’s mark, i.e. I, and respondent-applicant’s mark, i.e. y, while different in spelling, sound alike when pronounced.
- e. Both marks also sound alike when pronounced owing to identical three (3) letters and one (1) similar sounding letter and their respective positions.
- f. Both marks are word marks in plain letterings and not stylized. Neither are in color nor are compounded with a unique device or design. Hence, the similarity between the two (2) marks are even more pronounced or enhanced.

“5. By adopting the confusingly similar mark MYOTAN for similar goods, that opposer Novartis AG is internationally known for, it is obvious that respondent-applicant’s intention is to ‘ride-on’ the goodwill of Novartis and ‘pass-off’ its goods as those of Novartis AG.

“6. A boundless choice of words, phrases and symbols are 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 word MYOTAN in its mark when the field for its selection is so broad.

“7. The registration and use of the mark MYOTAN by respondent-applicant will deceive and/or confuse purchasers into believing that respondent-applicant’s goods and/or products bearing said mark emanate from or are under the sponsorship of opposer Novartis AG,

owner/registrant of the trademark DIOVAN. This will therefore diminish the distinctiveness and dilute the goodwill of opposer's trademark.

"8. The allowance of Application No. 4-2007-014167 in the name of respondent-applicant will be in violation of the treaty obligations of the Philippines under the Paris Convention for the Protection of industrial Property, to which the Philippines and Switzerland are member-states. x x x."

The Opposer's evidence consists of the following:

1. Exhibits "A" to "A-8" - Affidavit Testimony of Mireille Valvason;
2. Exhibit "B" - Pages 2 & 15, Novartis Group Annual Report of 2007;
3. Exhibit "C" - Certified Copy of Certificate of Reg. No. 000138107, trademark DIOVAN in the Register of Community Trade Marks;
4. Exhibit "D" - Certified Copy of Certificate of Reg. No. 628497, trademark DIOVAN in WIPO; and,
5. Exhibit "E" - Certified Copy of Renewal & Certificate of Registration No. 1584018, trademark DIOVAN in the United Kingdom.

On 25 February 2009, the Respondent-Applicant filed its Verified Answer, alleging the following:

"6. Respondent reiterates, repleads and incorporates by reference all the foregoing insofar as they are material and additionally submit that the Opposition should be dismissed because:

6.1. Opposer was not able to sufficiently prove the confusing similarity between the DIOVAN and MYOTAN trademark.

6.1.1. In the Application for Trademark of Respondent-Applicant (attached as Exhibit '1'), the MYOTAN trademark is presented as the letters M, Y, O, T, A, and N, all in upper case.

6.1.2. DIOVAN trademark however is composed of the letters D, I, O, V, A, and N, all in upper case (as indicated in its Registration with the IPO and attached as Exhibit '2').

6.1.3. The reasoning of Opposer is tenuous when it averred that its bases for alleging similarity between MYOTAN and DIOVAN in pages 5 and 6 of its Opposition (Exhibit 'A-6') as the following: identity with reference to their International Classification (i.e. Class 5); same number of letters in both marks; similarity in position of the letters O (i.e. 3rd position), A (i.e. 5th position) and N (i.e. 6th position), similarity in the sound of the second letter (i.e. I and Y); similarity in sound of the two marks owing to the 4 letters mentioned; and, similarity in the lettering style.

6.1.4. The characteristics of the first letter of both marks are significantly different aurally and visually.

6.1.4.1. The letter M is a bilabial nasal sound whereas the letter D is a voiced alveolar plosive sound.

6.1.4.2. A summary of the features of the two consonants emphasizes the difference between the two:

x x x

6.1.4.3. The upper case letter M, as used in the trademark of MYOTAN is angular and sharp whereas the upper case letter D as used in the DIOVAN trademark is rounded.

6.1.4.4. In an alphabetical listing, the letter D is significantly apart from the letter M. As such, the possibility of the two brands being beside one another and produce confusion is very slim. In the attached photocopy of the Philippine Index of Medical Specialties (PIMS/MIMS) 2008, 118th Edition (Exhibit '3'), the product marked DIOVAN is listed under the category, '2f, Angiotensin II Antagonists' found in page 63 (Exhibit '3-A'). On the other hand, the product marked MYOTAN is found in page 65 (Exhibit '3-B'). Undoubtedly, any physician referring to the said listing could not interchange the products respectively marked by DIOVAN and MYOTAN.

6.1.5. The characteristics of the fourth letter of both marks are significantly different from each other aurally and visually.

6.1.5.1. The letter T is a voiceless alveolar plosive sound whereas the letter V is a bilabial nasal sound with the features: x x x

6.1.5.2. The upper case letter T, as used in the trademark of MYOTAN is composed of a vertical and a horizontal element which are perpendicular to each other. On the other hand, the upper case letter V as used in the DIOVAN trademark is composed of two diagonal elements that are joined together at its base.

"6.2. The allegation that the use of the MYOTAN trademark could cause confusion with the DIOVAN trademark is unfounded in view of Republic Act 6675 (The Generics Act of 1988', as amended by Section 38 of Republic Act 9502, or the 'Universally Accessible Cheaper and Quality Medicines Act of 2008'). x x x

6.2.1. Section 6 of RA 6675 enjoins the use of the generic name for all medicines.

6.2.2. The generic names of the products marked by the MYOTAN and DIOVAN trademarks are different: 'Losartan K' (i.e. Losartan Potassium) for MYOTAN and 'Valsartan' for DIOVAN.

6.2.2.1. The MYOTAN trademark is used as brand name for a product that has been registered with the Bureau of Food and Drug (BFAD) with a generic name of 'LOSARTAN POTASSIUM' (marked as Exhibit '4-A'). The approved use of the product is for the 'treatment of hypertension' (marked as Exhibit '4-B'). The Certificate of Registration with BFAD is attached and marked as Exhibit '4'.

6.2.3. Assuming arguendo that the marks in question are confusingly similar, the above directive effectively prevents any confusion between the same. As stated above under Section 6 (c), 'the generic name shall appear prominently and immediately above the brand name in all product labels as well as in advertising and other promotional materials' (Emphasis ours).

"6.3. The MYOTAN trademark has been used in India without opposition for more than 20 years already.

6.3.1. The trademark MYOTAN has been registered with the Intellectual Property Office of the Government of India since July 10, 1998. Attached (marked as Exhibit '5') is a certified true copy of the Certificate of Registration of Trade Mark (No. 304829) for Trade Mark No. 809562 for the MYOTAN mark in India.

6.3.2. The abovementioned registration has been renewed on 23 May 2008 and effective for a period often years from 10 July 2008. Attached (marked as Exhibit '6') is a certified true copy of the renewal of the Registration of Trade Mark No. 809562 for the MYOTAN mark.

6.3.3. During the more than 20 years of the MYOTAN mark in India there has been no opposition to its registration.”

The Respondent-Applicant’s evidence consists of the following:

1. Exhibit “1” - Trademark Application Form of MYOTAN;
2. Exhibit “2” - Certificate of Registration of DIOVAN;
3. Exhibits “3”, - Photocopy of Phil. Index of Medical
“3-A” & “3-B” Specialties (PIMS/MIMS) 2008, 118th Ed;
4. Exhibit “4”, - Certificate of Product Registration of MYOTAN
“4-A” & “4-B” in BFAD;
5. Exhibit “5” - Certified True Copy of Certificate of Registration of
Trademark (No. 3048290), MYOTAN in India; and,
6. Exhibit “6” - Certified True Copy of Renewal of Registration of
Trademark No. 809562 for MYOTAN

On 10 March 2009, the Opposer filed its Reply with Motion to Declare Respondent-Applicant in Default:³ on the ground that the Answer filed by the latter is not duly verified and the same shall not be considered as having been filed. Also, the Opposer filed a Manifestation and Motion⁴, praying that the scheduled preliminary conference be held in abeyance until the resolution of the aforementioned motion, which this Bureau has noted and made of record. The Respondent-Applicant failed to attend the scheduled Preliminary Conference, and this Bureau issued Order No. 2009-906 stating that the Respondent-Applicant had waived its right to submit position paper and/or draft decision, and the case submitted for decision. Consequently, Respondent-Applicant filed an Omnibus Motion⁵, for the lifting of the Order of Default. This Bureau denied the motion in its Order No. 2009-1134⁶ but with a proviso that the Answer and the evidence submitted will be considered in the adjudication of this case. The Respondent-Applicant filed a motion for reconsideration which this Bureau granted in its Resolution No. 2009 -12⁷, thereby setting a case conference. On 07 December 2009, this Bureau issued Order No. 2010-128⁸, amending Order dated 07 December 2009 and directing Respondent-Applicant to file its position paper within the period given. Respondent-Applicant filed its position paper on 18 January 2010.

The issues to be resolved in this case are:

- I. Is the Opposer’s trademark DIOVAN a well-known mark, and
- II. Should the Opposition to Trademark Application Serial No. 42007-014167 be sustained on the ground of confusing similarity between the marks DIOVAN and MYOTAN.

On the first issue, the Opposer seeks the declaration of “well-known” status on its mark “DIOVAI’J”. Rule 102 of the Rules on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, provides:

Rule 102. Criteria for determining whether a mark is well-known. -In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

³ Dated 06 March 2009.

⁴ Dated 18 March 2009.

⁵ Dated 25 June 2009.

⁶ Dated 06 July 2009

⁷ Dated 28 August 2009.

⁸ Dated 11 January 2010.

- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

This Bureau finds the Opposer's evidence insufficient to declare its mark well-known using the foregoing criteria. The Opposer, aside from its allegations, submitted only an Affidavit-Testimony of its Trademark Advisor. This is self-serving and thus, has little evidentiary weight. It is stressed that allegations must be proven by sufficient evidence. Simply stated, he who alleges a fact has the burden of proving it; mere allegation is not evidence.⁹

Going now to the second issue, 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.¹⁰

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:

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

(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

⁹ *Lupo Atienza vs Yolanda De Castro*, G.R. No. 169698, 29 Nov. 2006.

¹⁰ *Pribhdas J. Mirpuri vs Court of Appeals*, G.R. No. 114508, 19 Nov. 1999, citing *Etepha v. Dir. of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par 91), of the Trade related Aspect of Intellectual Property (TRIPS Agreement).

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

x x x

(Emphasis Supplied)

The competing marks are reproduced below for comparison:

DIOVAN

Opposer's trademark

MYOTAN

Respondent-Applicant's trademark

Obviously, the competing marks are not identical. The initial and medial letters of the marks: "D", "I" and "V" of the Opposer; and, "M", "Y" and "T" of the Respondent-Applicant, creates an aural and visual distinction from each other. Such that, the holistic cadence and effect of articulation of the marks distinguish the Opposer's mark from that of the Respondent-Applicant's. Moreover, in case of physician's prescription, the letters "D", "I" and "V" of DIOVAN cannot be mistaken as the letters "M", "Y", and "T" of MYOTAN. Thus, there is no possibility of errors by pharmacist or drug store sellers in dispensing these products.

Turning to the goods involved, while they pertain to pharmaceutical products under Class OS, these drugs are different in compositions and are intended for different purpose. The mark or brand DIOVAN covers cardiovascular products. On the other hand, MYOTAN is a brand or mark for hypertension.

Also, the fact that the pharmaceutical products on which the competing marks are used are prescription drugs, the difference in the illnesses or disorders on which then drugs are applied to, makes the consumers more cautious and wary in buying the right product and brands. It appears that the generic names of the competing brands or marks are different: "Losartan Potassium" for MYOTAN; and, Valsartan for DIOVAN.

The situation is not the same as when two competing brands cater to or treat the same or related diseases. 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.

Accordingly, this Bureau finds no cogent reason to believe that the Opposer will likely to 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 file wrapper of Trademark Application No. 4-2007-014167 be returned together with a copy of this Decision to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Makati City, 29 July 2010.

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