

NOVARTIS AG.  
*Complainant.*  
-versus-

IPC No. 10-2004-00012

For: Infringement of Trademark and for  
Unfair Competition with prayer for  
Temporary Restraining Order and/or  
Preliminary Injunction

PROSEL PHRAMACEUTICALS, INC.  
Respondent.

Decision No. 2007-08

## DECISION

For decision is a complaint for infringement and/or unfair competition with damages and prayer for injunction filed by Novartis AG, a corporation duly organized and existing under the law of Switzerland, with address at CH-4002, Basel, Switzerland, against Prosel Pharmaceuticals and Distributors, Inc., a corporation organized and existing under the Philippine laws with address at 9724 Pililia St. Santiago Village, Makati City.

Plaintiff relied on the following grounds

“1 Plaintiff Novartis AG is the original and true owner and/or registrant in and/or applicant in many trademark registrations of the trademark ZELMAC around the world for pharmaceutical products for the treatment of gastrointestinal disorder, more particularly for abnormal pain and discomfort, bloating and alleged bowel functioning patients with a disease called irritable bowel syndrome (IBS) whose main symptoms pain, discomfort and constipation.

“2 In the Philippines, Plaintiff Novartis AG is the owner/registrant of the foregoing trademark ZELMAC, as follows.

Trademark	:	ZELMAC
Registrant	:	Novartis AG

Certificate of Registration No. 4-1996-107817

Date issued	:	June 8, 2001
Serial No.	:	105491
Date Filed	:	January 26, 1996

A copy of the certificate of registration No. 107817 is attached as Annex “A” and made an integral part hereof.

“3 Plaintiff Novartis AG’s trademark ZELMAC is registered in many countries of the world the mark ZELMAC is also the subject of pending applications in many other countries of the world as such. The trademark ZELMAC has been intimately identified with plaintiff Novartis AG. Plaintiff Novartis AG’s trademark “ZELMAC” has long established and obtained general international consumer recognition as belonging to one distinct and indisputable owner on source which is none other than plaintiff Novartis AG By virtue hereof, said trademark has therefore become distinctive of plaintiff Novartis AG’s goods and business.

“4 On or about July 2002, it came to the knowledge of plaintiff Novartis AG that defendant Prosel has been selling and/or marketing, of otherwise engaged in the sale and/or marketing in the Philippines of various products, mainly consisting of pharmaceutical goods bearing the mark SELMAC, which is practically identical with

plaintiff Novartis AG's registered trademark ZELMAC, with only the first letter S and Z, respectively, being different.

We enclose herewith a sample of defendant Prosel's pharmaceutical product/s bearing the trademark SELMAC as Annex "B" and made integral parts hereof.

"5 Based on the foregoing, no other conclusion can be made other than the fact that defendant Prosel, through evident bad faith and in an attempt to sabotage the business of plaintiff Novartis AG and/or to ride on the well-established goodwill and popularity of plaintiff Novartis AG's registered trademark ZELMAC, has unduly sold and caused the sale and marketing of pharmaceutical products bearing the confusingly similar mark ZELMAC, with the aim of confusing the general public not just as to the goods themselves, but also to the identity of the true and worthwhile manufacturer of the said products as well.

Respondent in its Answer, respondent raised the following special and affirmative defenses, as follows:

"1 At the onset, plaintiff has not established that Sweden, the country where NOVARTIS AG is incorporated, is a party to any convention, treaty agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal to nationals of the Philippines by laws in accordance with Section 3 and 160 of Republic Act No. 8293. Otherwise known as the "Intellectual Property Code of the Philippines"; thus, plaintiff has no personality to sue under the said Code;

"2 In any event, plaintiff has no cause of action against the dependants as the two marks are not confusingly similar for one, and that the said products, although both classified pharmaceutical products, are *clearly applied to different purposes* ZELMAC (Mefenamic Acid) being a pain killer while ZELMAC (tegaserod maleate) is a treatment for irritable bowel syndrome;

"3 Thus, Section 155 does not apply in the case at bar for the very reason that one cannot confuse purchasing pain-killer for a cure for irritable bowel syndrome;

"4 In any case, there is neither a "colorable imitation" of the same, or the "same container or a dominant feature thereof" since there is no such design or package, of ZELMAC presented in the Complaint for the reason that the Bureau of Food and Drugs has not yet allowed them to sell the same in the Philippines as shall be later explained herein;

"5 Further, apparently taking the shotgun approach, plaintiff is mistaken in alleging defendant has committed acts constituting unfair completion since there is clearly the PROSEL brand marked on ZELMAC's packaging, photocopy of which is attached to plaintiff's own Complaint as Annex "B";

"6 Obviously, *there can be no bad faith inferred from this as ZELMAC unmistakably identifies its manufacturer* as PROSEL and not NOVARTIS and thus, cannot possibly unduly capitalize on the letter's goodwill.

Admitted as evidence for the complainant are Exhibits "A" to "E" inclusive of submarkings, to wit:

Exhibit	Description
Exhibits "A" to "A-6"	Affidavit-testimony of Samuel D. Lopez

Exhibits "A-7" to "A-8"	Demand Letter to Prosel Pharmaceuticals & Distributors, Incorporated dated August 5, 2002
Exhibits "A-9" to "A-15"	Petition for cancellation of Product Registration for the brand name ZELMAC filed with the Bureau of Food and Drugs (BFAD) on August 16, 2002
Exhibits "A-16" to "A-18"	Resolution issued by the Bureau of Food and Drugs received by complainant on July 15, 2003
Exhibits "C" to "C-5"	Affidavit-testimony of Ma. Lords S. Garganera
Exhibits "C-6" to "C-13"	Application for product registration files with the BFAD on March 5, 2002
Exhibits "C-14"	Letter to BFAD dated arch 8,2002 from Novartis Healthcare, Phils, Inc , seeking to expedite processing of application
Exhibits "C-15"	Notice of Deficiencies issued by the BFAD dated July 12, 2002
Exhibits "D"	Philippine Certificate of registration No.4 1996-107817
Exhibits "E" to "E-1"	Affidavit-Testimony of Cristina A. Alcantara
Exhibits "E-2" to "E-8"	Printouts of reports showing expenses incurred for the pre-launch promotions and marketing of complainant's product ZELMAC in the Philippines

Admitted as evidence for the respondent are Exhibits "1" to "15" inclusive of submarking wit:

Exhibit	Description
Exhibits "1"	Certificate of product Registration No 019894 dated December 8, 1995 and valid for five (5) years up to December 8, 2000, issued by BFAD for the product brand ZELMAC 500 mg CAPLET.
Exhibits "2"	Certificate of Product Registration No 008806 dated March 30, 2001 and valid until August 22, 2002, issued by BFAD for the product brand ZELMAC 500 MG TABLET in Blister Pack.
Exhibits "3"	Certificate of Product Registration No 019179 dated March 3, 2004 and valid until August 22, 2005, issued by BFAD for the product brand ZELMAC 500 mg CAPSULE. In Blister Pack.
Exhibits "4"	Certificate of Product Registration No 000963 dated October 14, 2004 and valid until August 22, 2005 , by BFAD for the product brand ZELMAC 500 mg TABLET in blister Pack of 10's, Box of 100's
Exhibits "5"	Resolution of the Bureau of Food and Drugs (BFAD) dated June 27, 2003 in the case entitled "In re: Petition by Novartis AG and Novartis Health Philippines, Inc for Cancellation of product registration of the brand name "ZELMAC", Novartis AG and Novartis Healthcare Philippines , Inc, Distributors, Inc, Respondent, LICD Ref No 2434 (02)"
Exhibits "6"	Blister Package of the product ZELMAC as sold in the market clearly showing the generic term MEFENAMIC ACID and the name PROSEL
Exhibits "7"	Affidavit-testimony of Lourdes dela Cruz, Administrative Manager of Respondent PROSEL, consisting of four (4) pages with attachments

Exhibits "7-A"	Signature of affiant Lourdes dela Cruz appearing on page 4 of her affidavit
Exhibits "8"	Affidavit-testimony of Maria Luisa C. Parungao, Sales and marketing Services Manager of Respondent PROSEL, consisting of (5) pages attachments
Exhibits "8-A"	Signature of affiant Maria Luisa C. Parungao appearing on page 4 of her affidavit
Exhibits "9"	Print out of the Metro for Drugs Sales Report for the year 2002 with bracketed portion showing ZELMAC 500 TAB 100's sales of 1,335 boxes.
Exhibits "9-A"	Print outs of e-mail sent by Edgar Resurrection of Metro Drugs, Inc, addressed to Lhot Parungao of PROSEL transmitting sales data for the year 2002-2005
Exhibits "10" and "10-A"	Print out of the Metro Drugs Sales Report for the year 2003 with bracketed portion showing ZELMAC 500 TAB 100's sales of 651 boxes
Exhibits "11" and "11-A"	Print out of the Metro Drugs Sales Report for the year 2004 with bracketed portion showing ZELMAC 500 TAB 100's sales of 524 boxes
Exhibits "12" and "12-A"	Print out of the Metro Drugs Sales Report for the year 2005 with bracketed portion showing ZELMAC 500 TAB 100's sales of 361 Boxes
Exhibits "13" and "13-W"	Partial summary of expenses pertaining to the product ZELMAC for the year 2002 including various invoices, vouchers, receipts and statement of account
Exhibits "14" to '14-YYY" inclusive, with sub-marking	Partial summary expenses pertaining to the product ZELMAC for the year 2003 including various invoices, vouchers, receipts. Statements of account and product listing
Exhibits "15"	Affidavit-testimony of Juanito Bombase Luna, Founding President and CEO of Respondent, PROSEL, consisting of six (6) pages
Exhibits "15-A"	Signature of affiant Juanito Bombase Luna appearing on pages 5 of his Affidavit

In the preliminary conference set, the parties failed to amicably settle the case hence, the case proceeded to trial. The crux of the controversy is whether the respondent's use of the mark ZELMAC constitutes trademark infringement and/or unfair competition of complainant's mark ZELMAC.

Trademark infringement is committed by the unauthorized use the registered mark. The law provides:

*"Sec: 155. Remedies; infringement. Any person who shall, without the consent of the owner of the registered mark:*

155.1 Use in commerce any reproduction, counterfeit copy. Or colorable imitation of a registered mark of the same container of a dominant feature thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deserve;

155.2 Reproduce, counterfeit, copy or colorably imitate a registered mark or a dominant feature thereof and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with a sale, offering for sale, distribution, or

advertising of goods or services on or in connection with which such use is likely to cause confusion, or to infringement by the registrant remedies hereinafter set forth Provided, that the infringement takes place at the moment any of the acts stated in Subsection 155.1 or this subsection are committed regardless of whether there is actual sale of goods or services using the infringing material.”

Unfair competition is committed by any of the following acts:

*SEC. 168. Unfair Competition, Rights, Regulation and Remedies*

168. 1. A person who has identified in the mind of the public the goods he manufactures or deals in, his business or services from those of other, whether or not registered mark is employed, has property rights in the goodwill of the said goods, business or services so identified, which will be protected in the same manner as other properly rights.

168. 2. Any person who shall employ deception or any other means contrary to good faith by which he shall pass off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce said result, shall be guilty of unfair competition, and shall be subject to an action there for.

168. 3. In particular, and without in any way limiting the scope of protection against unfair competition. The following shall be deemed guilty of unfair competition:

(a) Any person, who is selling his goods and gives them the general appearance of goods of another manufacturer or dealer, either as to the goods themselves or in the wrapping of the packages in which they are contained. or the devices or words thereon, or in any other feature of their appearance, which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer, other than the actual manufacturer or dealer, or who otherwise clothes the good with such appearance as shall deceive the public and defraud another of his legitimate trade, or any subsequent vendor of such goods or any agent of any vendor engaged in selling such goods with a like purpose;

(b) Any person who by any artifice, or device, or who employs any other means calculated to induce the false belief that such a person is offering the services of another who has identified such services in the mind of the public; or

(c) Any person who shall make any false statement in the course of trade or who shall commit any other act contrary to good faith of a nature calculated to discredit the goods, business services of another.

Evaluation of the evidence show that complainant is the registered owner of the mark ZELMAC under Philippine Certificate of Registration No 4-1996-107 issued in June 8, 2001 from an application filed on January 26, 1996 (Exhibits “D”) learning that respondent uses the mark ZELMAC, it sent respondent a letter demanding that it cease and desist from using the word ZELMAC being practically identical with its registered mark.

In contrast, respondent has satisfactorily shown earlier adoption and use of the mark ZELMAC on its pharmaceutical product. Evidence reveals that as early as 1995, respondent had obtained its Certificate of product Registration (CPR) for its generic drug mefenamic acid from the Bureau of Food and Drugs it has continuously renewed the same for several years with such agency for several years (Exhibits “1”, “2”, “3”, “4”)

Respondent’s witness, Maria Luisa C. Parungao (Exhibits “8”) testified on how the name ZELMAC was derived, thus:

“5. I know for a fact that the “old reliable” got their names by combining one syllable from the generic term of the product to wit: SELFEZ (an antibacterial whose brand name is a combination of the last syllable of Prosel and first syllable of Prosel and first syllable of the generic name Cefalexin), PROMOX (abroad spectrum penicillin whose brand name is a combination of Prosel’s first Syllable and a syllable from the generic name Cotrimoxazole), PROXS (anti asthma drug whose brand name is a combination of Prosel’s first syllable and syllable from the generic name Salbutamol), SELVON-C (a multi-vitamins whose brand name is a combination of Prosel’s last syllable and a syllable from the generic name Vitamins; and ZELMAC ( a pain killer whose brand name is combination of Prosel’s last syllable and a syllable from the generic name Mefenamic Acid).”

In this regard, the law in force at the time of the adoption of the mark SELMAC provides

*Sec. 2 – An Ownership of trademarks, trade names and service mark, how acquired. –* Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any 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, tradename or service mark not so appropriated to distinguish his merchandise, business or service from the merchandise, business or service of other. The ownership of a trademark, tradename or service-mark, heretofore or hereafter appropriated as in this section provided, shall be recognize and protected in the same manner and to the same extent as are other property rights known to the laws.

Therefore, respondent had acquired rights to the mark ZELMAC when it adopted and used the same in 1995. Respondent’s witnesses had the occasion to elaborate on the commencement of their use of the mark SELMAC in testifying that they experienced a downtrend in sales. In this regard, respondent submitted sales reports to show the drop in drug sales for ZELMAC for the period 2002, 2003 and 2004 which August 12, 2002 by Novartis, Inc. before the Bureau of Food and Drugs. (Exhibit “8”) Respondent’s witness, Maria Luisa C. Parungao testified that although the BFAD dismissed the petition, the downtrend in sales continued. The same witness testified that the brand ZELMAC has been sold in 1996. In her testimony on July 26, 2006 (page 4-6), she stated.

Atty. Damaso : When did you start working at Prosel?

Witness : I started working in 1994

Atty. Damaso : as what?

Witness : I started 1994 as Medical Representative After which my second position as a District Sales manager in 1995. As Regional Sales manager in 1996, in 1997 I became Operations Manager, 2004 I became Sales Marketing Service manager up to present Sir.

Atty. Aumento : Ms Witness you testified earlier that you have been with the company of Prosel since February of 1994 Right?

Witness : That’s right sir.

Atty. Aumento : And in 1994 started as a Medical Representative

Witness : Yes, sir.

Atty. Aumento : Then you became District Manager in 1995.

Witness : Yes, sir.

Atty. Aumento : A Regional Sales Manager in 1996 and Operation Manager in 1997. And presently you are the Sales and Marketing manager of the company.

Witness : Yes, sir.

Atty. Aumento : You stated earlier also that when you joined the company in 1994 you were privy to many matters that transpired within its confines that's correct. Right?

Witness : Yes, sir.

Atty. Aumento : So did you have personal knowledge then on how the products were being marketed or how the names were being populated?

Witness : Of course.

In the testimony of Lourdes de la Cruz on June 21, 2006 (page 15-16) she testified.

Atty. Damaso : For the record, when did you register the trademark of product ZELMAC with the BFAD?

Ms. Witness : It was first applied for registration on August 24, 1995

Atty. Damaso : And CPR was issued for the first time on?

Ms. Witness : It was issued on December 8, same year, 1995

Atty. Damaso : If you know, when was the trademark ZELMAC registered in with IPO?

Ms. Witness : It was applied in January 26, 1996

Atty. Damaso : That is ZELMAC of Novartis

Ms. Witness : Yes.

Atty. Damaso : And do you know when the registration was issued?

Ms. Witness : It was issued on June 8, 2001

Atty. Damaso : In other words, when it was applied for in 1996, there was already a product name ZELMAC of Prosel which was already being sold in the market and duly registered with BFAD.

Ms. Witness : Yes, sir.

Also, Juanito Bombase Luna In his testimony on August 29, 2006 relates that respondent Prosel has been manufacturing ZELMAC way back in 1996 He testified (pages 36-37):

Atty. Aumento : Is the product ZELMAC was it also submitted to the toll manufacturer for approval?

Mr. Witness : Yes, because that is BFAD regulation, we cannot avoid it, we cannot by pass any regulation of BFAD.

Atty. Aumento : And which manufacturer was this referred. The product ZELMAC.

Mr. Witness : Because we have only one (1) manufacturer

Atty. Aumento : Lloyd.

Mr. Witness : Yes. Lloyd

Atty. Aumento : Also to. Lloyd

Mr. Witness : Yes.

Atty. Aumento : I supposed this was in the year 2000

Mr. Witness : 1995

Use in the Philippines as basis for ownership cannot be overemphasized. In the more recent case, the High Court in the case of Philip Morris, Inc., Benson & Hedges (Canada). Inc., and Fabrique de Tabac Reunies, SA v. Fortune Tobacco Corporation. GR No 15859. 27 June 2006 (pages 9, 10, 12,) held:

“(I)The fact that their respective home countries, namely , the United States, Switzerland and Canada, are together with the Philippines, as member of the Paris Union does not automatically entitle petitioners to the protection of their trademarks in this country absent actual use of the mark in the local commerce and trade

True, the Philippines’ adherence to the Paris Convention effectively obligates the country to honor and enforce its provisions as regard the protection of industrial property of foreign nationals in this country. However, any protection accorded has to be made subject to the limitation of Philippine laws. Hence, despite Article 2 of the Paris Convention which substantially provides that (1) national of member countries shall have in this country rights specially provided by the Convention as are consistent with Philippine laws, now grant or may hereafter to its nationals, and (2) while no domicile requirement in the country where protection is claimed shall be required of persons entitled to the benefits of the Union for the enjoyment of industrial property rights, foreign nationals must still observe and comply with the conditions imposed by Philippine laws on its nationals.

Considering that R.A No. 166, as amended, specifically Section 2 and 2-A thereof, mandates actual use of the marks and/or emblems in local commerce and trade before they may be registered and ownership thereof acquired, the petitioners cannot, therefore dispense with the element of actual use, Their being nationals of member-countries of the Paris Union does not alter the legal situation.” (Underscoring supplied)

On the other hand, complainant admittedly never sold the ZELMAC brand in the market, its witness Cristina A Alcantara (Exhibit “E”) merely undertook pre-launch expenses. This kind of use of the mark does not ripen to ownership of trademark rights.

In Pagasa Industrial Corporation vs. Court of appeals, Tiburcio S Fvalle and Yoshida, Kogyo Kabushiki Kaisha, [G.R No. L-54158 November 19, 1982] the Supreme Court held:

“The Trade Law is very clear. It requires actual commercial use of the mark prior to its registration there is no disputed that respondent corporation, Yoshida Kogyo Kabushiki, Kaisha was the first registrant, yet it failed to fully substantiate its claim that it used in trade or business in the Philippines the subject mark; it did not present proof to invest it with exclusive, continuous adoption of the trademark which should consist, among other, of considerable sales were since its first use. The invoices submitted by respondent which were dated way back in 1957 show that the zippers sent to the Philippines were to be used as “samples” and “of no commercial value” The evidence for respondent must be clear, definite and free from inconsistencies. (Sy Ching vs. Gaw Lui, 44 SCRA 148-149) “Samples” are not for sale and therefore, the fact of exporting them to the Philippines cannot be considered to be equivalent to the “use” contemplated by the law. Respondent did not expect income from such “sample”. There were no receipts to establish sale, and no proof were presented to show that they were subsequently sold in the Philippines.

It is undisputed that respondent began the manufacture and sale around 1995 while manufacture merely acquired registration in 2001 and began the pre-launch of its ZELMAC product in 2002.

The acquisition of rights over a trademark is use. In *Sterling Products International, Inc. vs. Farbenfabriken Bayer AG*, 21 SCRA 1214, the Supreme Court held

“A rule widely accepted and firmly entrenched because it has come down through the years is that actual use in commerce or business is a prerequisite to the acquisition of the right of ownership over a trademark.

It would seem quite clear that adoption alone of a trademark would not give to its exclusive right thereto. Such right “grows out of their actual use”. Adoption is not use. One may take advertisement, issue circulars, give out price lists on certain goods; but these alone would not give exclusive right of use for trademark is a creation of use. The underlying reason for all these is that purchasers have come to understand the mark as indicating the origin of the wares. Flowing from this is the trader’s right to protection in the trade he has build up the goodwill he has accumulated from use of the trademark.

Finally, in this regard, Republic of Existing Act 8293. Upholds rights which have been acquired under the provisions of this Act.”

“Section 236. Preservation of Existing - Nothing herein shall adversely affect the rights in the enforcement of rights in patents, utility models, individual designs, mark and works. Acquired in good faith prior to effective date of Act.”

We cannot ascribe unfair competition to the respondent. Unfair competition consists in the passing off or attempting to pass off upon the public, the goods or business of one person as and for the goods or business of another. Stated broadly, it is any conduct at the end and probable effect of which is to deceive the public or pass off the goods or business of one person as and for that of another (*Amador, Vicente B. Trademarks under the Intellectual Property Code*, at 274). The universal test question is whether the public is likely to be deceived (*Alhambra Cigar and Cigarette Manufacturing Co. vs. Pedro N. Mojica*, G R No. L-8937, March 21, 1914. The packaging of the parties are produced hereunder for comparison.

The other is therefore all the more rendered negligible. Although oppositor aver that some drugstores sell “BIOFERIN: without asking for a doctor’s prescription, the same if true would be an irregularity not attributable to the applicant, who has already clearly stated the requirement of a doctor’s prescription upon the face of the label of its product.

Moreover, in *American Cyanamid Company vs. Director of Patents*, G R No 1 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 letter as “Drinking Water Solution” and the printed in directions indicate that is for use of chicken flocks, turkey, ducks, as well as in certain condition for horses, cattle, calve, sheep, and swine. On the other hand, in respondent’s label Exhibit C what are printed bold red letter are “Tablets 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 trademark 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, biscuit, 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 medicine for use of chicken alone or for other four-legged animal and in the process mistake a water solution for a tablet or vice versa.”

The Supreme Court laid down pointer in determining whether goods are related in mighty Corporation and La Campana Fabrica de Tabaco Inc, v E. & J Gallo Winery and the Andersons Group, Inc., No 154342, July 14, 2004 where it started that.

“In resolving whether goods are related, several factors come into play.

- a. the business (and it location) to which the goods belong
- b. the class of product to which the goods belong
- c. the product’s quality, quantity, or size, including the nature of the package, wrapper or container
- d. the nature and cost of the articles
- e. the descriptive properties, physical attributes of essential characteristics with reference to their form, composition, texture or quality
- f. the purpose of the goods
- g. where the article is bought for immediate consumption, 100 that is, day-to-day household items
- h. the field of manufacture
- i. the conditions under which the article is usually purchased and
- j. The channels of trade through which the goods flow, how they are distributed, marketed, displayed and sold.

It is unlikely that confusion will result even if the goods are both pharmaceutical products. There can be no likelihood of confusion by the mere fact that the goods non-competing and unrelated. The court in Philippine Refining Co., Inc. vs. Ng Lam (115 SCRA 472 [1982]0 held that “while ham and some of the products of petitioners are classified under Class 47 (Foods and Ingredients of Food), this alone cannot serve as the decisive factor and the resolution of whether or not they are related goods. Emphasis should be on the similarity of the products involved and not on the arbitrary classification or general description of their properties or characteristics.” The Court therefore, conclude that “In fine, we hold that the businesses of the parties are noncompetitive and their product so unrelated that the use of identical trademarks is not likely to give rise to confusion, much less cause damage to petitioner.”

WHEREFORE, in view of the foregoing, the Trademark Infringement and/or Unfair Competition case filed by Novartis AG against Prosel Pharmaceuticals and Distributors Inc. is, as it is hereby, DISMISED.

SO ORDERED.

Makati City, 29 June 2007

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