

NOVARTIS AG,	}	Inter Partes Case NO. 14-2007-00182
<i>Opposer,</i>	}	Case Filed : 19 June 2007
	}	Opposition to:
- vs -	}	
	}	Appl'n. Serial No. : 4-2006-006398
	}	Date Filed : 16 June 2006
TORRENT PHARMA PHILS., INC.,	}	Trademark : "EPAZIN"
<i>Respondent-Applicant.</i>	}	
x-----x		Decision No. 2008-158

DECISION

This case pertains to an opposition to the registration of the mark "EPAZIN" bearing application Serial No. 4-2006-006398 filed on 16 June 2006 covering the goods "pharmaceutical drugs-anti-convulsant" falling under class 5 of the International Classification of goods which application was published for opposition on page four (4) of the Intellectual Property Philippines (IPP) Electronic Gazette (E-Gazette), which was officially released on 30 March 2007.

The Opposer in the instant case is NOVARTIS AG, a corporation duly organized and existing under and by virtue of the laws of Switzerland with business address at 4002 Basel, Switzerland.

On the other hand, the Respondent-Applicant is TORRENT PHARMA PHILS., INC., with address at Unit 401-C, ITC Building. 337 Sen. Gil Puyat Avenue, Makati City.

The grounds of the opposition are as follows:

- "1. The trademark EPAZIN as applied for by Respondent-Applicant is confusingly similar to Opposer's trademark EPAXIM, as to be likely, when applied to or used in connection with the goods of Respondent-Applicant, to cause confusion or mistake and deception on the part of the purchasing public.
- "2. The registration of the trademark EPAZIN in the name of the 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 6*bis* 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 EPAZIN will diminish the distinctiveness and dilute the goodwill of Opposer's trademark EPAXIM.
- "4. The registration of the trademark EPAZIN in the name of Respondent-Applicant is contrary to other provisions of the Intellectual Property Code of the Philippines.

In support of its opposition, Opposer relied on the following facts:

- "1. Opposer is the owner of and/or registrant of and/or applicant in many trademark registrations and/or applications of the trademark EPAXIM around the world under International Class 5, more particularly for "*pharmaceutical preparations for the treatment of disorders of the central nervous systems, the immune system, the cardio-vascular system, the respiratory system, the muscular-skeletal system for the treatment of*

inflammatory disorders, for use in dermatology, in oncology, in ophthalmology and the prevention and treatment of ocular disorders or diseases”.

- “2. In the Philippines, Opposer is the owner/registrant of the trademark EPAXIM, as follows:

Trademark	:	EPAXIM
Certificate of Registration No	:	4-2005-006649
Date Issued	:	December 25, 2006
Registrant	:	NOVARTIS AG
Goods	:	Pharmaceutical preparations For the treatment of disorders of the central nervous systems, the immune system, the cardio-vascular system, the respiratory system, the muscular-skeletal system for the treatment of inflammatory disorders, for use in dermatology, in oncology, in ophthalmology and the prevention and treatment of ocular disorders or diseases.

- “3. By virtue of Opposer’s prior application and/or registration of the trademark EPAXIM 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. By adopting the confusingly similar mark EPAZIN for the same goods in international class 5, i.e. “*pharmaceutical products*”, that Novartis AG is internationally known for, it is obvious that Respondent-Applicant’s intention is to “ride-on” the goodwill of Novartis AG and “pass-off” its goods as those of Novartis AG.
- “5. 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 product from those of others. There is no reasonable explanation therefore for Respondent-Applicant to use the word EPAZIN in its mark when the field for its selection is so broad. Respondent-Applicant obviously intends to trade and is trading on Opposer’s goodwill.
- “6. The registration and use of the trademark EPAZIN by Respondent-Applicant will deceive and/or confuse purchasers into believing that Respondent-Applicant’s goods and/or products bearing the trademark EPAZIN emanate from or are under the sponsorship of Opposer Novartis AG < owner/registrant of the trademark EPAXIM. This will therefore diminish the distinctiveness and dilute the goodwill of Opposer’s trademark.
- “7. The allowance of Application Serial No. 4-2006-006398 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.

On February 13, 2008, Respondent-Applicant filed its verified answer to the Notice of Opposition thereby denying all the material allegations of the opposition and further alleged that confusing similarity does not exist.

Opposer submitted the following in support of its opposition.

Exhibit	Description
Exhibits "A" to "A-6"	Affidavit Testimony of Antionette Lachat
Exhibit "A-6-a"	Signature of Opposer's witness Antionette Lachat
Exhibit "A-6-b"	Notarization of the Affidavit Testimony of Antionette Lachat.
Exhibits "B" to "B-1"	Certified true copy of <u>Swiss Trademark Registration No. 495426</u> for EPAXIM
Exhibits "C" to "C-2"	Certified true copy of <u>Swiss Trademark Registration No. 552365</u> for EPAXIM
Exhibits "D" to "D-4"	Certified true copy of <u>European Community Trademark Registration Certificate No. 002588465</u> for EPAXIM
Exhibits "E" to "E-3"	Certified true copy of the <u>United States Trademark Registration Certificate No. 2,773,542</u> for EPAXIM
Exhibits "F" to "F-1"	Certified true copy of the <u>International Registration Certificate No. 002588465</u> for EPAXIM
Exhibit "G"	Legalization of the Affidavit Testimony of Antionette Lachat

Respondent-Applicant submitted the following in support of its application subject of the instant opposition.

Exhibit	Description
Exhibit "1"	Decision of the United States District court of Puerto Rico
Exhibit "2"	Decision of the United States District Court of New Jersey
Exhibit "3"	Affidavit of Maddari Srinivas Chakravarthy
Exhibit "4"	Certificate of Brand name clearance issued by the Bureau of Food and Drugs (BFAD) for the name "EPAZIN"
Exhibit "5"	Certificate of Product Registration for the mark "EPAZIN" issued by the BFAD.
Exhibit "6"	Certificate of Product Registration for the mark "EPAZIN CR 200" issued by the BFAD
Exhibit "7"	Certified true copy of Application No. 4-2006-006398 for the registration of the mark "EPAZIN"
Exhibit "8"	Declaration of Actual Use
Exhibit "9"	Certified true copy of the recommendation for allowance/Notice of Allowance for the mark "EPAZIN"

The only issue to be resolved in the instant opposition is:

WHETHER OR NOT THE MARK “EPAZIN” IS CONFUSINGLY SIMILAR WITH THE MARK “EPAXIM”.

The trademark application subject of the opposition was filed during the effectivity of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines. Thus, the applicable provision of the law to be applied in resolving the issue is Section 123.1 (d) of Republic Act No. 8293, which provides:

Sec. 123 *Registrability* – 123.1 *A mark cannot be registered if it:*

- (d) Is identical with a registered mark belonging to a different proprietor or 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;

The contending trademarks of the parties are reproduced below for comparison and scrutiny.

EPAXIM	EPAZIN
Opposer’s mark	Respondent-Applicant’s mark

This Bureau observes that both trademarks composed of three (3) syllables each. The first and second syllables are the same while the third is different from each other. “The third syllable of the Opposer’s mark compose of the word “XIM”, while the third syllable of the Respondent-Applicant compose of the word “ZIN”, the only difference being the two letters of the third syllable i.e., “X” and “M” for the Opposer and “Z” and “N” for the Respondent-Applicant, however, when pronounce, they are almost the same.

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be undertaken from the viewpoint of prospective buyer. The trademark complained should be compared and contrasted with the purchaser’s memory (*not in juxtaposition*) of the trademark said to be infringed. (87 C.J.S. pp 288-291) Some such factors as sound; appearance; form, style, shape, size or format; color, idea connoted by the mark; the meaning, spelling and pronunciation of the words used; and the setting in which the words appear may be considered, (87 C.J.S. pp. 291-292) for indeed, trademark infringement is a form of unfair competition (Clark vs. Manila Candy Co., 36 Phil. 100, 106; Co Tiong Sa vs. Director of Patents, 95 Phil. 1, 4).

Confusion is likely between trademarks only if their over-all presentation in any of the particular of *sound*, appearance or meaning are such as would lead the purchasing public into believing that the products to which the marks are applied emanated from the same source.

In the instant case, the competing trademarks are very similar especially in their composition of letters and more so with their pronunciation which are almost the same.

The question of infringement of trademarks is to be determined by the test of dominancy. The dissimilarity in size, form and color of the label and the place where applied are not conclusive. Duplication or exact imitation is not necessary nor is it necessary that the infringing label should suggest an effort to imitate (Operators, Inc., vs. Director of Patents, et. al., [G.R. No. L-17901, 29 October 1965).

As to the Opposer's claim that its mark "EPAXIM" has been applied and registered around the world under the International Class 5 and protected under the mantle of the Paris Convention for the Protection of Industrial Property to which the Philippines is a signatory, Opposer cannot claim protection in the Philippines based on its foreign registrations alone. The law on trademark rests upon the doctrine of nationality or territoriality. The scope of protection is determined by the law of the country in which the protection is sought, and International Agreements for the protection of intellectual property are predicated upon the same principle. The use required as the foundation of the trademark rights refers to local use and not abroad (2 Callman, Unfair Competition and Trademarks, par. 764, p. 1006). In the case of "Sterling Products International, Inc., vs. Farbenfabriken A.G., 44 SCRA 1226, 1227", the Supreme Court said:

"x x x The United States is not the Philippines. Registration in the United States is not registration in the Philippines x x x. Plaintiff itself concedes that the principle of territoriality of trademark law has been recognized in the Philippines. Accordingly, the registration of the trademark "BAYER" in the United States would not of itself afford plaintiff protection for use by the defendant in the Philippines of the same trademark for the same or different goods."

This Bureau, likewise observes that the Opposer's trademark "EPAXIM" is not one of those trademarks listed as well-known internationally under the Memorandum of the then Minister LUIS R. VILLAFUERTE of the Ministry of Trade dated November 20, 1980, coupled with the fact that no sufficient evidence was presented by the Opposer to support its claim that "EPAXIM" is indeed an internationally well-known mark.

However, considering that as earlier discussed, Respondent-Applicant's EPAZIN is confusingly similar to the mark EPAXIM duly registered in Opposer's favor, Respondent-Applicant's mark EPAZIN cannot therefore be allowed registration.

WHEREFORE, with all the foregoing, the Opposition is, as it is, hereby SUSTAINED. Consequently, trademark Application No. 4-2006-006398 filed on June 16, 2006 by TORRENT PHARMA PHILS., INC. for the registration of the mark "EPAZIN" is, as it is hereby REJECTED.

Let the filewrapper of the trademark "EPAZIN" 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 September 2008.

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