

UNITED LABORATORIES, INC.,	}	Inter Partes Case No. 14-2008-00059
<i>Opposer,</i>	}	Case Filed: 25 March 2008
	}	
	}	Opposition to:
	}	
-versus-	}	Application Serial No.: 4-2007-007313
	}	Date Filed : 11 July 2007
	}	Trademark : "TERCEF"
ACTAVIS GROUP PTC EHF,	}	
<i>Respondent-Applicant.</i>	}	
x-----x		Decision No. 2009-62

DECISION

Before this Bureau is a VERIFIED OPPOSITION filed by Opposer, United Laboratories, Inc., a corporation duly organized and subsisting under and by virtue of the laws of the Philippines with principal office located at No. 66 United Street, Mandaluyong City, Philippines. Opposer is seeking to deny the application for registration of Respondent-Applicant Actavis Group PTC EHF's mark "TERCEF" bearing Application Serial No. 4-2007-007313 covering a wide range of pharmaceutical goods under Class 5. This application was published on page four (4) of the IPO E-Gazette and officially released on 25 January 2008.

Respondent-Applicant is a foreign corporation with principal office address at Reykjavikurvegi 76, 220 Hafnarfirdi, Iceland.

GROUND FOR OPPOSITION

The grounds upon which the opposition to the Trademark Application Serial No. 4-2007-007313 for the mark "TERCEF" was based are as follows:

1. The trademark "TERCEF" so resembles "TERGECEF" trademark owned by Opposer, registered with this Honorable Office prior to the publication for opposition of the mark "TERCEF". The trademark "TERCEF", which is owned by Respondent-Applicant, will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed trademark "TERCEF" is applied for the same class of goods as that of trademark "TERGECEF", i.e. Class (5); antibacterial medicine preparation/antibiotic.
2. The registration of the trademark "TERCEF" in the name of the applicant-Respondent will violate Sec. 123 of Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines", which provides, in part, 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." (Emphasis supplied)*

Under the above-quoted provision, any mark which is similar to a registered mark shall be denied registration as regards similar or related goods or if the mark applied for nearly resembles a registered mark that confusion or deception in the mind of the purchasers will likely result.

3. Respondent-Applicant's use and registration of the trademark "TERCEF" will diminish the distinctiveness and dilute the goodwill of Opposer's trademark "TERGECEF".

ALLEGATIONS IN SUPPORT OF THE OPPOSITION

In support of this Opposition, Opposer relied upon and tried to prove the following facts:

4. Opposer, the part owner of the trademark "TERGECEF", having acquired the same by virtue of a Deed of Assignment (Annex "G-1"), is engaged in the marketing and sale of a wide range of pharmaceutical products. The Trademark Application for the trademark "INOFLOX" was originally filed with the Bureau of Patents, Trademarks and Technology Transfer on 24 September 1994 by Medichem Pharmaceuticals, Inc. and was approved for registration by this Honorable Office on 04 November 1998 and valid for a period of twenty (20) years. Hence, the registration of the "TERGECEF" trademark subsists and remains valid to date. Attached are copies of Certificate of Registration Number 66409 marked as Annex "B".
5. The trademark "TERGECEF" has been extensively used in commerce in the Philippines.
 - 5.1 Opposer dutifully filed Affidavits of Use pursuant to the requirement law, to maintain the registration of "TERGECEF" in force and effect. A copy of the Affidavit of Use filed by Opposer is hereto attached as Annex "C".
 - 5.2 A sample of a product label bearing the trademark "TERGECEF" actually used in commerce is hereto attached as Annex "D".
 - 5.3 No less than the Intercontinental Marketing Services (IMS) itself, the world's leading provider of business intelligence and strategic consulting services for the pharmaceutical and healthcare industries with operations in more than 100 countries, acknowledged and listed the brand "TERGECEF" as the leading brand in the Philippines in the category of "cephalosporins & combs" in terms of market share and sales performance. (Attached is a copy of the certification and sales performance marked as Annex "E".)
 - 5.4 In order to legally market, distribute and sell these pharmaceutical preparations in the Philippines, we registered the products with the Bureau of Food and Drugs (BFAD). A copy of the Certificate of Product Registration issued by the BFAD for the mark "TERGECEF" is hereto attached as Annex "F".
6. There is no doubt that by virtue of the above-mentioned Certificate of Registration, the uninterrupted use of the trademark "TERGECEF", and the fact that it is well-known among consumers and internationally known pharmaceutical information providers, the Opposer has acquired an exclusive ownership over the "TERGECEF" mark to the exclusion of others.
7. "TERCEF" is confusingly similar to "TERGECEF".
 - 7.1 There are no set rules that can be deduced in particularly ascertaining whether one trademark is confusingly similar to, or is a colorable imitation of another. Nonetheless, jurisprudence provides enough guidelines and tests to determine the same.

- 7.1.1 In fact, in *Societe Des Produits Nestle, S.A. vs. Court of Appeals* [356 SCRA 207, 216] the Supreme Court citing *Etepha v. Director of Patents*, held: “[i]n determining if colorable imitation exists, jurisprudence has developed two kinds of tests – The Dominancy Test and the Holistic Test. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception and thus constitute infringement. On the other side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity.”
- 7.1.2 It is worthy to note at this point that in *Societe Des Produits Nestle, S.A. vs. Court of Appeals* [Supra, p. 221,] the Supreme Court held: “[T]he totality or holistic test only relies on visual comparison between two trademarks whereas the dominancy test relies not only on the visual but also on the aural and connotative comparisons and overall impressions between the two trademarks.”
- 7.1.3 Relative thereto, the Supreme Court in *McDonald’s Corporation vs. L.C. Big Mak Burger, Inc.* [437 SCRA 10] held:

This Court, however has relied on the dominancy test rather than the holistic test. The dominancy test considers the dominant features in the competing marks in determining whether they are confusingly similar. Under the dominancy test, courts give greater weight to the similarity in appearance of the products arising from the adoption of the dominant features of the registered mark, disregarding minor differences. Courts will consider more the aural and visual impressions created by the marks in the public mind, giving little weight to factors like process, quality, sales outlets and market segments.

Thus, in the 1954 case of Co Tiong Sa vs. Director of Patents, the Court ruled:

. . . It has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Similarity in size, form and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place. Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate. (G. Heilman Brewing Co. vs. Independent Brewing Co., 191 F., 489, 495, citing Eagle White Lead Co. vs. Pflugh (CC) 180 Fed. 579). The question at issue in cases of infringement of trademarks is whether the use of the marks involve would be likely to cause confusion or mistakes in the mind of the public or deceive purchasers. (Auburn Rubber Corporation vs. Honover Rubber Co., 107 F. 2d 588; . . .) (Emphasis supplied.)

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7.1.4 Applying the dominance test, it can be readily concluded that the trademark “TERCEF”, owned by Respondent-Applicant, so resembles the trademark “TERGECEF”, that it will cause confusion mistake and deception on the part of the purchasing public.

7.1.4.1 First, “TERCEF” sounds almost the same as “TERGECEF”;

7.1.4.2 Second, the first three letters of both marks are the same;

7.1.4.3 Third, the last three letters of both marks are the same;

7.1.4.4 Clearly, the Respondent-Applicant adopted the dominant features of the Opposer’s mark “TERGECEF”;

7.1.4.5 As further ruled by the High Court in the McDonald’s case [p.33]

In short, aurally the two marks are the same, with the first word of both marks phonetically the same, and the second word of both marks also phonetically the same. Visually, the two marks have both two words and six letters and the second word having the same first two letters. In spelling, considering the Filipino language, even that last letters of both marks are the same.

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“This Court has taken into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity.”

7.2 Respondent-Applicant’s mark “TERCEF” and Opposer’s mark “TERGECEF” are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.

7.2.1 Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed trademark “TERCEF” is applied for the same class of goods as that of the trademark “TERGECEF”, i.e. Class (5); antibacterial/antibiotic, to the Opposer’s extreme damage and prejudice.

7.3 Yet, Respondent-Applicant still filed a trademark application for “TERCEF” despite its knowledge of the existing trademark registration of “TERGECEF” which is confusingly similar thereto in both sound and appearance.

8. Moreover, Opposer’s intellectual property rights over its trademark is protected under Section 147 of Republic Act No. 8293, otherwise known as the Philippine Intellectual Property Code (“IP Code”),

“The owner of a registered mark shall have the exclusive right to prevent all parties not having the owner’s consent from using in the course of trade identical or similar to those in respect of which the trademark is registered where such use would cause a likelihood of confusion.” [Emphasis supplied]

9. To allow Respondent-Applicant to continue to market its product bearing the mark “TERCEF” undermines Opposer’s rights to its mark. As lawful owner of the mark “TERGECEF”, Opposer is entitled to prevent the Respondent-Applicant from using a confusingly similar mark in the course of trade where such would likely mislead the public.
 - 9.1 Being the lawful owner of “TERGECEF”, Opposer has the exclusive right to use and/or appropriate the said marks and prevent all third parties not having its consent from using in the course of trade identical or similar marks, where such would result in a likelihood of confusion.
 - 9.2 By virtue of Opposer’s ownership of the trademark “TERGECEF”, it also has the right to prevent third parties, such as Respondent-applicant, from claiming ownership over Opposer’s marks or any depiction similar thereto, without its authority or consent.
 - 9.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks which the Supreme Court cited in *McDonald’s Corporation, McGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc.*, 437 SCRA 268 (2004), it is evidence that the mark “TERCEF” is aurally confusingly similar to Opposer’s mark “TERGECEF”.
 - 9.4 To allow Respondent-Applicant to use its “TERCEF” mark on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the “TERCEF” products of Respondent-Applicant originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the “TERGECEF” products of Opposer, when such connection does not exist.
 - 9.5 In any event, as between the newcomer, Respondent-Applicant, which by the confusion loses nothing and gains patronage unjustly by the association of its products bearing the “TERCEF” mark with the well-known “TERGECEF” mark, and the first user and actual owner of the well-known mark, Opposer, which by substantial investment of time and resources and by honest dealing has already achieved favor with the public and already possesses goodwill, any doubt shall be resolved against the newcomer, Respondent-Applicant, considering that Respondent-Applicant, as the latter in the market had a vast range of marks to choose from which would sufficiently distinguish its products from those existing in the market
10. By virtue of Opposer’s prior and continuous use of the trademark “TERGECEF”, the same has become well-known and has established valuable goodwill to consumers and the general public as well. The registration and use of Respondent-Applicant’s confusingly similar trademark on its goods will enable the latter to obtain benefit from Opposer’s reputation, goodwill and advertising and will tend to deceive and/or confuse the public into believing that Respondent-Applicant is in any way connected with the Opposer.
11. Likewise, the fact that Respondent-Applicant seeks to have its mark “TERCEF” registered in the same class (Nice Classification 5) as the trademark

“TERGECEF” of Opposer plus the fact that both are antibiotics/antibacterial, will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

12. Thus, Opposer’s interests are likely to be damaged by the registration and use of the Respondent-Applicant of the trademark “TERCEF”. In support of the foregoing, Atty. Maria A. Ochave executed an affidavit which is hereto attached as Annex “G”.

In response to the Verified Opposition, this Bureau issued a Notice to Answer dated 14 April 2008 and a copy of which was received by Respondent-Applicant on April 16, 2008. Thereafter, Respondent-Applicant availed several Motions for Extension of Time to file Verified Answer. The last Motion was filed by the same on 14 July 2008 praying for an extension until August 14, 2008, which was granted thru Order No. 2008-1062. However, no Answer was filed on the above deadline. Thus, this Bureau issued Order No. 2009-262 declaring that Respondent-Applicant is deemed to have waived its right to file an Answer and at the same time submitted the instant case for decision.

The main issue presented for resolution to this Honorable Bureau is:

Whether or not Respondent-Applicant’s “TERCEF” mark is confusingly similar to Opposer’s “TERGECEF” mark in relation to the classification of goods used and other relevant circumstances hence not entitling it to registration.

This Bureau finds that respondent-applicant’s “TERCEF” mark is confusingly similar to opposer’s “TERGECEF” mark.

In order to arrive at a just and fair conclusion as to whether the contending marks are confusingly similar, both are reproduced below for comparison and scrutiny.



Opposer’s Mark



Respondent-Applicant’s Mark

All of the letters present in opposer’s mark “TERGECEF” can also be seen in respondent-applicant’s mark except for the letters “G” and “E”. The letters G and E if removed from opposer’s mark will result to a six letter word that is “TERCEF” which eventually is the trademark being applied by respondent-applicant. Thus, the first three letters (T, E and R) and the last three letters (C, E and F) on opposer’s mark are the dominant features which can all be found on respondent-applicant’s mark.

Since it is observed that the dominant feature of the Opposer’s marks “TERGECEF” is similar with Respondent-Applicant’s mark “TERCEF” (Emphasis supplied) in terms of appearance as well the sound it creates when read and pronounced. The insertion of the letters

“GE” has not created a big difference as regards phonetic similarity. Thus, the principle of *idem sonans* applies in his case.

Furthermore, this Bureau agrees with the contention of opposer that the two marks can be easily confused for one over the other considering the fact that the goods on which respondent-applicant’s mark “TERCEF” is being used falls under the same class with that of the opposer’s goods with the mark “TERGECEF”. As such, the similar classification of products under class 5 which are antibacterial/antibiotic heightens the danger of confusing the public between the two contending trademarks.

The marks need not be identical or similar, it is sufficient if one mark is so like the other in form, spelling, or sound that one with not a very definite or clear recollection as to the real mark is likely to be confuse or mislead. (PHILIPPINE NUT VS. STANDARD BRANDS, G.R. NO. L-23035. JULY 31, 1975)

This Bureau rules that the Dominancy Test fairly applies in the instant case because the features of the competing marks by themselves, albeit distinct and predominant, already show that they are likely to create a confusion both of goods and of business between that of opposer’s and respondent-applicant’s respective goods and business (McDonald’s Corporation, et al. v. L.C. Big Mak Burger, Inc., et al, *supra*).

Per the Dominancy Test, the dominant features of the competing marks are considered in determining whether these competing marks are confusingly similar. Greater weight is given to the similarity of the appearance of the products arising from the adoption of the dominant features of the registered mark, disregarding minor differences. The visual, aural, connotative, and overall comparisons and impressions engendered by the marks in controversy as they are encountered in the realities of the marketplace are the main considerations (McDonald’s Corporation, et al. v. L.C. Big Mak Burger, Inc., et al., G.R. No. 143993, August 18, 2004; Societe Des Produits Nestle, S.A., et al. v. Court of Appeals, et al., G.R. No. 112012, April 4, 2001). If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place (Lim Hoa v. Director of Patents, 100 Phil. 214 [1956]); (Co Tiong Sa v. Director of Patents, et al., G.R. No. L-5378, May 24, 1954). Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate (Lim Hoa v. Director of Patents, *supra*, and Co Tiong Sa v. Director of Patents, *supra*). Actual confusion is not required: Only likelihood of confusion on the part of the buying public is necessary so as to render two marks confusingly similar so as to deny the registration of the junior mark (Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, et al., G.R. No. L-19906, April 30, 1969).

Now that it is established that respondent-applicant’s “TERCEF” mark is almost identical to opposer’s “TERGECEF” mark, Sec. 123.1, paragraph (d) of the IP Code applies. It provides that:

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

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(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;

WHEREFORE, the opposition is SUSTAINED. Consequently, Application bearing Serial No. 4-2007-007313 filed on 11 July 2007, for the registration of the mark "TERCEF" covering Class (5) of goods is hereby REJECTED.

Let the filewrapper of the trademark "TERCEF" 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, 18 May 2009.

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