



OFFICE OF THE DIRECTOR GENERAL

MEDICHEM PHARMACEUTICALS, INC.,
Opposer-Appellant,

-versus-

MEDHAUS PHARMA, INC.,
Respondent-Appellee.

Appeal No. 14-2013-0006

IPC No. 14-2009-00290

Opposition to:

Application No. 4-2007-010249

Date Filed: 17 September 2007

Trademark: ZOLMED FORTE

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DECISION

MEDICHEM PHARMACEUTICALS, INC. (“Appellant”) appeals the decision¹ of the Director of the Bureau of Legal Affairs (“Director”) dismissing the Appellant’s opposition to the registration of the mark “ZOLMED FORTE” in favor of MEDHAUS PHARMA, INC. (“Appellee”).

Records show that the Appellee filed on 17 September 2007 Trademark Application No. 4-2007-010249 for ZOLMED FORTE for use on *antibacterial which is used in the treatment of genito-urinary infections, respiratory infections and gastrointestinal infections*. The application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 22 September 2009. Consequently, the Appellant filed on 21 December 2009 a “VERIFIED OPPOSITION” alleging that it would be extremely damaged and prejudiced by the registration of ZOLMED FORTE.

The Appellant maintained that it is engaged in the marketing and sale of a wide range of pharmaceutical products and that it is the owner of the registered mark “ZOLDEM”. The Appellant alleged that it also secured a certificate of registration from the Bureau of Food and Drugs allowing it to legally market, distribute, and sell ZOLDEM in the Philippines. The Appellant argued that the Appellee’s mark so resembles and is confusingly similar to ZOLDEM that it would likely cause confusion, mistake, and deception to the purchasing public, especially considering that these marks are applied to the same class of goods. According to the Appellant, “ZOLMED” appears and sounds almost the same as ZOLDEM, that both marks are composed of two syllables, and that the first three letters of both marks are the same. The Appellant contended that the Appellee adopted the dominant features of ZOLDEM and the Appellee’s use and registration of ZOLMED FORTE will diminish the distinctiveness of ZOLDEM. The Appellant asserted that by its registration of ZOLDEM, it has acquired an exclusive ownership of this mark.

¹ Decision No. 2013-22 dated 05 February 2013.

On 05 February 2010, the Bureau of Legal Affairs issued to the Appellee a notice to answer the Appellant's opposition. The Appellee did not file an answer. Subsequently, the Director issued a decision dismissing the opposition and ruling that the Appellee's mark has visual and aural properties that are distinct from the Appellant's mark and that the goods covered by these marks are not similar or closely related. The Director held that the Appellee's mark is consistent to the function of a trademark.

Not satisfied with the decision of the Director, the Appellant filed on 11 March 2013 an "APPEAL MEMORANDUM [Re: Decision No. 2013-22 dated 5 February 2013]" reiterating its arguments that ZOLMED FORTE is confusingly similar with ZOLDEM. The Appellant contends that even if the goods covered by these marks are different, there is still likelihood of confusion. According to the Appellant, the registration of ZOLMED FORTE will enable the Appellee to benefit from the Appellant's reputation and goodwill and will tend to deceive and/or confuse the public into believing that the Appellee is connected with the Appellant.

On 15 March 2013, this Office issued an Order giving the Appellee thirty (30) days from receipt of the Order to submit its comment on the appeal. The Appellee did not file its comment and this case was deemed submitted for decision.

In this regard, the issue in this case is whether the Director was correct in dismissing the Appellant's opposition to the registration of the mark ZOLMED FORTE.

Sec. 134 of the Intellectual Property Code of the Philippines ("IP Code") provides in part that:

SEC. 134. Opposition.- Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application.

The relevant question, therefore, is whether the Appellant would be damaged by the registration of ZOLMED FORTE in the name of the Appellee.

The appeal is meritorious.

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.²

² Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

Thus, Sec. 123.1(d) of the IP Code, states 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;

In this case, the Appellant is the owner of the mark ZOLDEM which was registered on 30 April 2007 covering the goods *sedative/hypnotic pharmaceutical preparation*. The Appellant, therefore, has the exclusive right to use this mark and is entitled to prevent the Appellee from using a mark which would likely deceive or cause confusion. Below are the illustrations of the marks of the Appellant and the Appellee.

Zoldem

ZOLMED FORTE

Appellant

Appellee

At a glance, one can see the similarity of these marks which has an identical first syllable “Zol” and a second syllable that contains the identical letters “d”, “e”, and “m”. In addition, the way these marks are presented and used for pharmaceutical products would give the impression that they are owned by the same person. In other words, because of the similarity of these marks, it is not farfetched that one may consider the Appellee’s mark as just a variation of the Appellant’s mark that has been registered and used as early as 2007. The Appellant and the Appellee are members of the pharmaceutical industry and it is not unlikely that the Appellee knew of the Appellant’s products which have been in the market earlier than the Appellee’s products. In this regard, the statement by the Supreme Court in one case is instructive:

Of course, as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another’s trademark if there was no intent to take advantage of the goodwill generated by the other mark.³

Significantly, the Appellee’s lack of interest in participating in this opposition case betrays the weakness of the Appellee’s position to register a confusingly similar mark. The Appellee has “millions of terms and combinations of letters and designs available” to use for its products. The Appellee’s attempt to register ZOLMED

³ American Wire & Cable Company vs. Director of Patents, G. R. No. L-26557, 18 February 1970.

FORTE without giving an explanation as to how it arrived in using this mark only shows its intent to take advantage of the reputation generated by ZOLDEM. Consequently, not only would there be a likelihood of confusion as to the source or origin of the products covered by the mark ZOLMED FORTE, it is also likely that the Appellant would be damaged by the continued use by the Appellee of this mark.

As correctly pointed out by the Appellant:

40. When as in the instant case, a party used a confusingly similar trademark as that of another "though the field of its selection was so broad, the inevitable conclusion is that it was done deliberately to deceive." (Del Monte Corporation, et. al. vs. Court of Appeals, supra, p. 419-420)

41. Respondent-Appellee's use of the mark "ZOLMED FORTE" in relation to any of the goods covered by the opposed application, if these goods are considered not similar or closely related to the goods covered by Opposer-Appellant's trademark "ZOLDEM", will take unfair advantage of, dilute and diminish the distinctive character or reputation of the latter trademark. Potential damage to Opposer-Appellant will be caused as a result of its inability to control the quality of the products put on the market by Respondent-Appellee under the mark "ZOLMED FORTE". Thus, Opposer-Appellant's interests are likely to be damaged by the registration and use of the Respondent-Appellee of the mark "ZOLMED FORTE".⁴

WHEREFORE, premises considered, the appeal is hereby granted.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

07 FEB 2014 Taguig City


RICARDO R. BLANCAFLOR
Director General

⁴ APPEAL MEMORANDUM [Re: Decision No. 2013-22 dated 5 February 2013] dated 11 March 2013, pp. 13-14.