



ABBOTT LABORATORIES,
Opposer,

-versus-

YSS LABORATORIES CO., INC.,
Respondent-Applicant.

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}
} IPC No. 14-2009-00276
} Opposition to:
} Appln. Serial No. 4-2007-010971
} Date filed: 02 October 2007
} TM: "CLARITHROCID"
}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2012 – 205 dated October 16, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 16, 2012.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



ABBOTT LABORATORIES,
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- versus -

YSS LABORATORIES CO., INC.,
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IPC No. 14-2009-00276

Opposition to:

Appln. Serial No. 4-2007-010971
(Filing Date: 02 October 2007)

Trademark: "**CLARITHROCID**"

Decision No. 2012 - 205

DECISION

ABBOTT LABORATORIES¹ ("Opposer") filed on 24 November 2009 a Verified Notice of Opposition to Trademark Application No. 4-2007-010971. The application, filed by YSS LABORATORIES CO., INC.² ("Respondent-Applicant"), covers the mark CLARITHROCID for use on "*antibacterial*" under Class 05 of the International Classification of Goods³.

The Opposer alleges the following:

"1. The Opposer will be damaged by the registration of the application and respectfully submits that the application should be denied for the reasons set forth below.

"2. The Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines ("IP Code"):

'Section 3. International Convention and Reciprocity. - Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.'

"3. The registration of the application violates Sections 123.1 (d) and (e) of the IP Code which expressly prohibit the registration of a mark

¹ A corporation duly existing and registered under the laws of Illinois, U.S.A., with address at 100 Abbott Park Road, Abbott Park, Illinois 60064-6008, U.S.A.

² A Philippine corporation with office address at 1113 United Nations Avenue, Paco, Manila, Philippines.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

if it is:

3.1. Identical to 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. [Section 123.1 (d) of the IP Code]

3.2. Identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and use for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark. [Section 123.1 (e) of the IP Code]

“4. In addition, both the Philippines and the U.S.A. where the Opposer was organized and registered are members of the Paris Convention for the Protection of Industrial Property and the WTO TRIPS Agreement. The Paris Convention provides that:

Article 6bis

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation considered by competent authority of the country of registration or use to be well known in that country as being the mark of a person entitled to the benefits of this Convention and used for identical or similar goods x x x.

Article 10bis

(1) The countries of the Union are bound to assure nationals of such countries effective protection against unfair competition.”

The Opposer's evidence consists of the following:

1. Verified Notice of Opposition;
2. Special Power of Attorney confirming appointment of Taw & Associates as counsel of Opposer;
3. Affidavit of Mary L. Winburn, Senior Counsel of the Opposer, detailing the long history of the Opposer and its brands, particularly KLARICID for antibacterial (antibiotic) and KLACID for pharmaceutical preparations;
4. Printouts of the relevant pages from the Opposer's website, www.abbott.com,

- showing its history and extent of operation;
5. Website printout of Opposer's major products;
 6. Opposer's website A-to-Z list of products;
 7. Opposer's 1994 Annual Report;
 8. List of countries where KLARICID and KLACID antibiotics are sold;
 9. Worldwide sales report for Clarithromycin products from 2005 to 2008;
 10. KLARICID PEDIATRICO banner used in Peru;
 11. KLARICID granules brochure used in Pakistan;
 12. KLARICID XL brochures used in Pakistan;
 13. KLARICID pamphlet used in Peru;
 14. KLARICID literature/pamphlet;
 15. Pictures of KLARICID giveaways and advertisements such as KLARICID pens and KLARICID clocks;
 16. KLARICID "Don't Experiment" advertisement in the Philippines;
 17. KLARICID "Don't Experiment With Your Child's Health" advertisement in the Philippines;
 18. KLARICID literature used in Peru;
 19. Website printouts of KLARICID advertisement posted in www.abbott.com;
 20. KLARICID advertisement in Brazil;
 21. KLARICID brochure in Brazil;
 22. List of KLARICID registrations worldwide;
 23. Certified true copy of Australia Registration No. 496971 for KLARICID in class 5;
 24. Certified true copy of Great Britain Registration No. 1359664 for KLARICID in class 5;
 25. Certified true copy of Singapore Registration No. T8805646Z for KLARICID in class 5;
 26. List of KLACID registrations worldwide;
 27. Certified true copy of Hong Kong Registration No. 19903786 for KLACID in class 5;
 28. Copy of Philippine Registration No. 4-2003-006334 for KLARICID in class 5;
 29. Affidavit of Rodrigo Gregorio, Scientific/Technical & Regulatory Affairs Manager, Technical Services Department of Abbott Philippines, detailing the history of the Opposer and its brands in the Philippines;
 30. Website printout of Abbott Philippine's history and tradition of innovation;
 31. Printout from www.abbott.com.ph containing information about KLARICID;
 32. Copy of report by IMS AG.CHAM showing the prescription analysis and number of doctors using KLARICID from June to December 2007;
 33. Certified true copy of Philippine Certificate of Registration No. 4-2003-006334 for KLARICID in class 5 issued on 3 September 2006;
 34. Printouts of the search results from <http://www.google.com.ph> conducted on 19 October 2009 for KLARICID; and
 35. Printouts of the search results from <http://www.google.com.ph> conducted on 19 October 2009 for KLACID.⁴

This Bureau issued and served upon Respondent-Applicant a Notice to Answer on 26 January 2010. The Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark CLARITHROCID?

⁴ Marked as Exhibits "A" to "II".

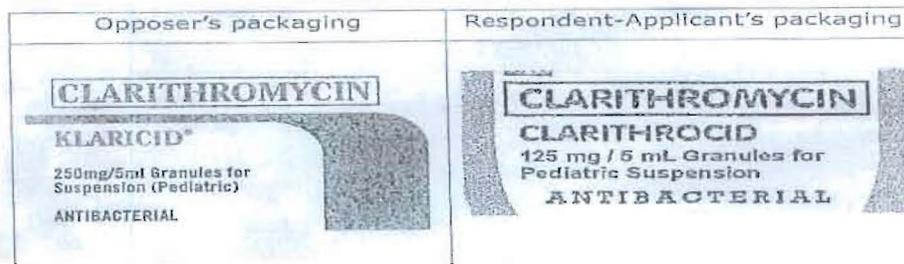
It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a 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.⁵ Thus, Sec. 123.1 (d) provides 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;

The records and evidence show that at the time the Respondent-Applicant filed its trademark application on 02 October 2007, the Opposer has an existing registration for the mark KLARICID under Certificate of Registration No. 4-2003-006334 issued on 03 September 2006. The Opposer's registered mark is used for goods under Class 05 for "antibiotics". It also proved that it has registrations⁶ for the mark in various jurisdictions abroad. In the affidavit of its witness Rodrigo Gregorio⁷, it is attested that KLARICID was introduced in the Philippines in 1991 and launched in 1993. Information about the drug is available in the Opposer's website⁸. KLARICID was also advertised in the Philippines⁹ and abroad through brochures, literature, pamphlets and giveaways.

The question is: Are the competing marks as shown below resemble each other that confusion and deception is likely to occur?



⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999, citing *Etepha v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

⁶ Exhibits "W", "X", "Y", "AA"

⁷ Exhibit "CC"

⁸ Exhibit "EE"

⁹ Exhibit "Q"

Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other¹⁰.

The respective first syllables of the competing marks sound exactly the same ("KLA" and "CLA"). Both marks also end with the same syllable, "CID". This similarity in sound and in the majority of its literal elements may likely cause confusion and mistake among the purchasing public considering that both marks are used on "antibacterial" products under class 5 and available in the same method of administration, which is by pediatric suspension. The Supreme Court in *Prosource International Inc. v. Horphag Research Management, S.A.*¹¹ held that it takes into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity. And in *Marvex Commercial Co., Inc. v. Petra Hawpia & Co., et al.*¹², cited in *McDonalds Corporation v. L.C. Big Mak Burger, Inc.*, the Court held:

"The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, *Unfair Competition and Trade Marks*, 1947, Vol. 1, will reinforce our view that 'SALONPAS' and 'LIONPAS' are confusingly similar in sound: 'Gold Dust' and 'Gold Drop'; 'Jantzen' and 'Jass-Sea'; 'Silver Flash' and 'Supper Flash'; 'Cascarete' and 'Celborite'; 'Celluloid' and 'Cellonite'; 'Chartreuse' and 'Charseurs'; 'Cutex' and 'Cuticlean'; 'Hebe' and 'Meje'; 'Kotex' and 'Femetex'; 'Zuso' and 'Hoo Hoo'. Leon Amdur, in his book 'Trade-Mark Law and Practice', pp. 419-421, cites, as coming within the purview of the idem sonans rule, 'Yusea' and 'U-C-A', 'Steinway Pianos' and 'Steinberg Pianos', and 'Seven-Up' and 'Lemon-Up'. In *Co Tiong vs. Director of Patents*, this Court unequivocally said that 'Celdura' and 'Cordura' are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 that the name 'Lusolin' is an infringement of the trademark 'Sapolin', as the sound of the two names is almost the same."

Succinctly, there is the likelihood that information, assessment, perception or impression about CLARITHROCID products as heard may unfairly cast upon or attributed to the Opposer, and *vice-versa*. The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:¹³

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that

¹⁰ See *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217.

¹¹ G. R. No. 180073, 25 November 2009.

¹² G. R. No. L-19297, 22 December 1966

¹³ See *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

Furthermore, this Bureau noticed that the Respondent-Applicant's mark copied almost all the letters in the generic name of the contending marks which is CLARITHROMYCIN. If CLARITHROCID is registered in favor of the Respondent-Applicant, it would give said party the exclusive use of the syllables "CLARITHRO". Paragraphs (h) and (i) of Sec. 123.1 (h) of the IP Code provide that a mark cannot be registered if it:

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

x x x

(j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services; x x x

Assuming *in arguendo* that CLARITHROCID is not exactly the generic name CLARITHROMYCIN, the fact that these names are nearly identical to each other brings the Respondent-Applicant's trademark application within the ambit of Sec. 123.1(j) of the IP Code.

WHEREFORE, premises considered, the Verified Notice of Opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2007-010971 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 16 October 2012.


Atty. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs