



GALDERMA S.A.,
Opposer,

-versus-

AMBICA INTERNATIONAL
TRADING CORPORATION,
Respondent-Applicant.

X-----X

} IPC No. 14-2009-00183
} Opposition to:
} Appln. Serial No. 4-2009-001504
} Date filed: 12 February 2009
} TM: "CEFETIL"

NOTICE OF DECISION

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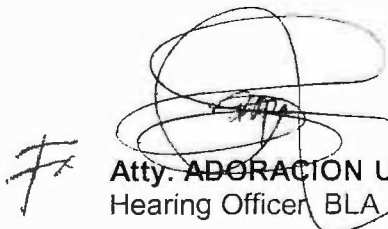
AMBICA INTERNATIONAL TRADING CORPORATION
c/o DEEPAK ASHIOK BHATIA
For Respondent-Applicant
No. 4 Vatican Street, Merville Park Subdivision
Paranaque City

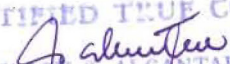
GREETINGS:

Please be informed that Decision No. 2012 - 82 dated April 30, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 30, 2012.

For the Director:


Atty. ADORACION U. ZARE
Hearing Officer, BLA

CERTIFIED TRUE COPY

SHARON S. ALCANTARA
Records Officer II
Bureau of Legal Affairs, IPO



GALDERMA S. A.,
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- versus -

**AMBICA INTERNATIONAL TRADING
CORPORATION,**
Respondent-Applicant.

x-----x

IPC No. 14-2009-00183

Opposition to:

Appln. Ser. No. 4-2009-001504
Date Filed: 12 February 2009

Trademark: **CEFETIL**

Decision No. 2012 - 82

DECISION

GALDERMA S.A.¹ ("Opposer") filed on 24 July 2009 a Verified Notice Opposition to Trademark Application No. 4-2009-001504. The application, filed by AMBICA INTERNATIONAL TRADING CORPORATION² ("Respondent-Applicant"), covers the mark CEFETIL used for "*pharmaceutical preparations with antibacterial action*" under Class 5 of the International Classification of Goods³.

The Opposer alleges, among other things, the following:

"4. CETAPHIL is a coined word that is partly derived from 'cetyl alcohol'. It is a term that has no meaning in the English language or in any other languages. The additional of '-aphil' to the first syllable 'cet-' was creative and inventive. Since the mark has not existed prior to its conception, it clearly denotes the origin or source of the goods.

"5. Opposer owns trademark registrations for CETAPHIL and other marks containing CETAPHIL in many countries throughout the world, as evidenced by the notarized, legalized and authenticated copies of trademark certificates issued by the competent authorities in the following countries: Argentina, Australia, France, Great Britain and Northern Ireland, Indonesia, Malaysia, Mexico, Nigeria, South Africa and Spain.

"6. As of May 2009, CETAPHIL is registered and/or subject of trademark application for goods in classes 3 and 5 in the following countries: African Union (AIPO), Algeria, Andorra, Argentina, Armenia, Australia, Austria, Bahrain, Bangladesh, Belarus, Benelux, Bolivia, Bosnia-Herzegovina, Botswana, Brazil, Bulgaria, Cambodia, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, European Union, Finland, France, Germany, Ghana, Greece, Guatemala, Haiti, Honduras, Hong Kong, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Jordan, Kenya, South Korea, Kuwait, Laos, Latvia, Lebanon, Liechtenstein, Lithuania, Macau, Malaysia,

¹ A corporation organized and existing under the laws of Switzerland.

² With address at #4 Vatican Street, Merville Park Subdivision, Paranaque City, Metro Manila.

³ 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.

Malta, Mexico, Monaco, Morocco, Namibia, New Zealand, Nicaragua, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russian Federation, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States of America, Uruguay, Venezuela, Vietnam, Zanzibar and Zimbabwe.

"7. As of May 2009, the mark CETAPHIL in combination with other terms or design elements, such as CETAPHIL DAILYADVANCE ULTRA HYDRATING LOTION, CETAPHIL EVERY AGE EVERY STAGE EVERY DAY & DESIGN and CETAPHIL HEALTHY SKIN FOR LIFE, is registered and/or subject of trademark application for goods in classes 3 and 5 in the United States of America, European Union and Australia, respectively.

"x x x

"9. In the Philippines, Opposer owns the following trademark registrations and application for CETAPHIL, as follows: (1) Registration No. 064026 issued on 14 January 1997, for class 5 (pharmaceutical preparation for the treatment of dermatosis); (2) Registration No. 42002000597 issued on 8 July 2004, for class 3 (cosmetic products for skin care, shampoos, moisturizing creams, moisturizing lotions, skin cleansers); and (3) Application No. 42008013581 filed on 5 November 2008, for class 3 (cosmetics, sanitary preparations and skin care preparations, nails and hair) and class 5 (pharmaceutical and medical preparations).

"10. Opposer has adopted and been using CETAPHIL either alone or in combination with its other internationally known trademarks on pharmaceutical and medical preparations as well as cosmetic products for skin care, soaps, shampoos, moisturizing lotions and skin cleansers in many countries throughout the world, including the Philippines.

"11. In the Philippines, the mark CETAPHIL was first used by Opposer on the above-mentioned goods in September 1983 through its Philippine subsidiary Galderma Philippines, Inc., with address at Unit 2802 Atlanta Center, No. 31 Annapolis St., Greenhills, San Juan, Metro Manila.

"12. Since the introduction of CETAPHIL products in the Philippines in 1983, Opposer has continuously used the said mark through advertising, and has incurred considerable expense to make CETAPHIL products well-known in the market.

"13. For fiscal year 2008, Opposer's advertising expenditures in the Philippines reached the amount of Php 7,454,796.23.

"14. Opposer's advertising and promotional efforts have proved to be successful, since sales of CETAPHIL products in the Philippines reached US\$ 11,911,787.90 for fiscal years 2004 to 2008, while worldwide sales of CETAPHIL products amounted to US\$ 857,176,979.13 for the same period.

"15. Based on the worldwide registrations of the mark CETAPHIL, the local and global sales of CETAPHIL products, the extensive promotion and advertising of the mark CETAPHIL, and the lengthy and extensive attention

given to the mark CETAPHIL by the media and other parties, CETAPHIL may be deemed to be famous and widely recognized throughout the world, including in the Philippines, as a mark of Opposer.

“x x x

“17. Opposer's existing trademark registrations for CETAPHIL under Registration No. 064026 issued on 14 January 1997 for class 5 (pharmaceutical preparation for the treatment of dermatosis) and Registration No. 42002000597 issued on 8 July 2004 for class 3, as well as trademark application under Serial No. 42008013581 filed on 5 November 2008, for class 3 (cosmetics, sanitary preparations and skin care preparations, nails and hair) and class 5 (pharmaceutical preparations), preclude Respondent from obtaining registration for CEFETIL for class 5 (pharmaceutical preparations).

“18. The law is clear that a mark cannot be registered if it 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; (ii) closely related goods or services; and (iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion.

“19. If Respondent's trademark application is allowed, confusion of goods will arise, or likely arise, because: (1) CEFETIL and CETAPHIL are used on similar goods; and (2) the two marks are confusingly similar. There is confusion of goods or services when an ordinary or common purchaser would be induced, in view of the similarity of the marks used, to purchase one product or service as that of another. In this type of confusion, the product or service of one is identical or similar to that of another.

“20. It is unquestionable that both CETAPHIL and CEFETIL are used on similar products. In its trademark application, Respondent indicated that it will use the mark CEFETIL on pharmaceutical preparations with antimicrobial action under class 5. On the other hand, Opposer has a subsisting registration for CETAPHIL for pharmaceutical preparation for the treatment of dermatosis, which also falls in class 5.

“21. Aside from the similarity of goods, there is also no dispute that CETAPHIL and CEFETIL are confusingly similar because of the similarities in their spelling and pronunciation. The first syllable ‘CE’ is identical for both marks, and the second and third syllables, while spelled differently, are almost similar or identical when pronounced or spoken (‘FE-TIL’ vis-a-vis ‘TA-FIL’). The second and third syllables of the two (2) marks are likely to be interchanged, especially when pronounced, thus resulting to a likelihood of or even an actual confusion.

“22. Two trademarks used on identical or related goods may be confusingly similar if they have similar sound or pronunciation. This *idem sonans* rule provides that similarity of sound or pronunciation and spelling may be sufficient to make two marks confusingly similar when applied to merchandise of the same descriptive properties. [*Marvex Commercial Co., Inc. v. Petra Haupia & Co.*, 18 SCRA 1178 (1966)] x x x

“x x x

"24. Aside from confusion of goods, confusion as to the source or origin of goods would arise or likely arise if Respondent is allowed to register CEFETIL. Opposer has an existing trademark registration for CETAPHIL under Class 3 (cosmetics, sanitary preparations and skin care preparations), while Respondent indicated that it will use CEFETIL for pharmaceutical preparations with antimicrobial action under Class 5.

"25. Confusion of business, source or origin exists, when, in view of the similarity of the marks involved, one party's product or service, though different from that of another or on which the latter does not use his mark, is such as might reasonably be assumed to originate from the latter and as to likely deceive the public into the belief that there is some business association between the parties, which, in fact, is absent.

"26. In this case, pharmaceutical preparations with antimicrobial action under Class 5 are so related to cosmetics, sanitary preparations and skin care preparations under Class 3 and pharmaceutical and medical preparations such as those for the treatment of dermatosis under Class 5 that it might be reasonably be assumed that they originate from one manufacturer. They possess the same physical characteristics with reference to their form, composition, texture or quality. They also flow in the same channels of commerce, as they are commonly found and sold in drugstores, pharmacies and other similar establishments.

"x x x

"28. Respondent's trademark application, if allowed registration, will cause confusion or mistake, or deceive the buying public. Specifically, the use by Respondent of the confusingly similar mark CEFETIL for similar goods will create the impression that it has been authorized by Opposer, or related to Opposer, or that Opposer is sponsoring the products of Respondent. More importantly, the allowance of Respondent's trademark application for the mark CEFETIL will cause irreparable harm or damage to Opposer and will dilute the significant value of the latter's well-known trademark CETAPHIL.

"x x x

"30. Furthermore, even if it is assumed for argument's sake that CETAPHIL is not registered, Opposer would still prevail over Respondent because CEFETIL is confusingly similar to CETAPHIL, which may be considered well-known internationally and in the Philippines as being already the mark of Opposer and used for identical or similar goods. As shown by the evidence on record, CETAPHIL may be considered well-known in view of the knowledge of the relevant sector of the public, including knowledge in the Philippines that has been obtained as a result of Opposer's promotions and advertisements of the mark.

"31. Additionally, and assuming for argument's sake that there is no similarity between the goods of Opposer and Respondent, the trademark registrations of the well-known mark CETAPHIL would still entitle Opposer to prevail over Respondent's application for the confusingly similar mark CEFETIL. Under Section 123.1(f) of Republic Act 8293, a mark cannot be registered if it is identical with or confusingly similar to a well-known mark

that is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for, provided that (1) the use of the mark in relation to those goods or service would indicate a connection between those goods or services, and the owner of the registered mark, and (2) the interests of the owner of the registered mark are likely to be damaged by such use.

"32. A connection between the Opposer and the goods of Respondent would likely occur because of the global reputation and goodwill of CETAPHIL products. Indeed, as discussed in the preceding paragraphs, Opposer has long enjoyed success and recognition for its various products consisting of cosmetics, sanitary preparations and skin care preparations under Class 3 and various pharmaceutical and medical preparations under Class 5. If Respondent's application for CEFETIL is allowed registration, there arises the strong likelihood that the interests of Opposer would be damaged by the use of the said mark."

The Opposer's evidence consists of the Affidavit of Ms. Julie Bernard, computer printouts of documents containing the pertinent details of Opposer's CETAPHIL registrations and application in the Philippines and computer printout of the document containing details of Respondent-Applicant's trademark application.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 11 September 2009. The Respondent-Applicant, however, did not file an Answer. Consequently, this Bureau issued Order No. 2011-144, submitting the case for decision on the basis of the opposition, affidavit of witness and documentary evidence submitted by the Opposer.

Should the Respondent-Applicant's trademark application be allowed?

The Opposer anchored its opposition on Sec. 123.1(d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

In this regard, the records show that at the time the Respondent-Applicant filed its trademark application in 2009, the Opposer already has existing trademark registrations for the mark CETAPHIL, to wit:

1. Reg. No. 064026, issued on 14 January 1997, covering "*pharmaceutical preparation for the treatment of dermatosis*" under Class 5;
2. Reg. No. 42002000597, issued on 08 July 2004, covering "*cosmetic products for skin care, shampoos, moisturizing creams, moisturizing lotions, skin cleansers*" under Class 3; and
3. Reg. No. 42008013581, issued on 10 December 2009, covering

“cosmetics, sanitary preparations and skin care preparations, nails and hair; pharmaceutical preparations for treatment of dermatosis” under Classes 3 and 5, respectively.

However, the competing marks, as shown below, are not identical:



Opposer's mark



Respondent-Applicant's mark

Also, this Bureau finds the Respondent-Applicant's mark not confusingly similar to the Opposer's. While both marks start with the letters "CE" and end with the letters "IL", the three letters in the middle of the Respondent-Applicant's mark – "FET" as against "TAPH" in the Opposer's mark – conferred upon the said mark a visual character that made it easy for the eyes to distinguish it from the Opposer's.

While there may be resemblance between the marks as to the sound created when these are pronounced, this is unlikely to cause confusion or mistake. This is so because the goods covered by the Respondent-Applicant's marks are obviously very much different from the Opposer's, as to the nature, purposes, and application. "CEFETIL" covers anti-bacterial products or *antibiotics*, while the Opposer's is used for products related to skin care and protection. The Opposer's products that reach the consumers are for external use or application, as in the form of cosmetics, lotions, soaps and creams. It is a very remote possibility that a person who purchases a CETAPHIL product would accept from the drugstore or pharmacy and bring home CEFETIL tablets or capsules and *vice-versa*.

The Opposer claims that its mark is a well-known mark and thus enjoys protection under Sec. 123.1, paragraphs (e) and (f) of the IP Code against the Respondent-Applicant's trademark application. This Bureau, however, deems that there is no more reason to delve on the issue of whether or not the Opposer's mark is a well known mark. The protection under the cited provisions may be invoked only if the competing marks are identical or confusingly similar. Furthermore, par. (f) of Sec. 123.1 of the IP Code requires that, *first*, the Respondent-Applicant's use of CEFETIL would indicate a connection between the goods to which it is attached and the Opposer's, and *second*, that the Opposer's interest are likely to be damaged. As discussed above, the parties' respective marks are not identical or confusingly similar. The stark difference between the respective goods or products of the parties would not indicate a connection between the Respondent-Applicant's goods and the Opposer. Also,

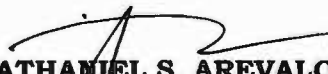
taking into account the vast difference between the parties' respective goods, there is no indication that the Respondent-Applicant in appropriating the mark CETEFIL had the intention or motivation to copy, and ride in on the supposed goodwill already earned by, the Opposer's mark. It is unlikely that consumers will be swayed to purchase or assess the performance of CETEFIL products for the reason that the mark reminds them of CETAPHIL. Much less when one considers the fact that CETEFIL products are anti-biotics which are dispensed through prescription.

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.⁴ This Bureau finds that the Respondent-Applicant's mark sufficiently serves the said purpose.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2009-001504 is hereby **DISMISSED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 30 April 2012.


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

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⁴ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999.