



GALDERMA S.A.,
Opposer,

-versus-

JF DRAF PHARMACEUTICALS CORP.,
Respondent –Applicant.

X-----X

}
} **IPC No. 14-2012-00385**
} Opposition to:
} Appln. Serial No. 4-2011-014082
} Date Filed: 24 November 2011
} **TM: "CLOBESOL"**

NOTICE OF DECISION

CORDOVA & ASSOCIATES
Counsel for the Opposer
2801, 28th Floor, Ayala-FGU Center
6811 Ayala Avenue, Makati City

JF DRAF PHARMACEUTICALS CORPORATION
Respondent-Applicant
Suite 407, Greenhills Mansion
37 Annapolis St., Northeast Greenhills
San Juan, Metro Manila

GREETINGS:

Please be informed that Decision No. 2014 - 53 dated February 21, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, February 21, 2014.

For the Director:


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



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- <i>versus</i> -	}	Appln. Serial No. 4-2011-014082
	}	Date Filed: 24 November 2011
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JF DRAF PHARMACEUTICALS CORP.,	}	TM: CLOBESOL
<i>Respondent-Applicant.</i>	}	
x-----x		Decision No. 2014- <u>53</u>

DECISION

GALDERMA S.A. ("Opposer")¹ filed an opposition to Trademark Application Serial No. 4-2011-014082. The application, filed by JF DRAF PHARMACEUTICALS, CORPORATION ("Respondent-Applicant")², covers the mark "CLOBESOL" for "pharmaceutical drug anti-inflammatory & antipruritic" under Class 5 of the International Classification of Goods and Services.³

The Opposer alleges, among other things the following:

1. The Respondent-Applicant's mark "CLOBESOL" is confusingly similar with the Opposer's mark "CLOBEX" and the Clobex family of marks, i.e., "CLOBEXPRO", "CLOB-X" and the CLOBEXONAL", since it is very likely to cause confusion, mistake and deception on the part of the purchasing public when applied to or used in connection with the goods of Respondent-Applicant.
2. The Opposer has an earlier filing date and a prior valid and still existing trademark for the "CLOBEX" mark for goods under Class 05. Hence, the Opposer should be protected against any subsequent attempt to register a confusingly similar or identical mark on the basis of Section 123.1 (d) of R.A. 8293, which states to wit:

Sec. 123.1. A mark cannot be register 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:

¹ Corporation duly organized and existing under the laws of Switzerland with principal place of business at Zugerstrasse 8, 6330 Cham, Switzerland.

² With address at Suite 407, Greenhills, San Juan, Metro Manila.

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

- (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;

3. Opposer's "CLOBEX" mark and Clobex family of marks, i.e. "CLOBEXPRO", "CLOB-X" and "CLOBEXONAL", are well-known trademarks protected under Section 123.1 (e) and (f) of the Intellectual Property Code and Article 6bis of the Paris Convention which the Philippines and Switzerland adhere, which states as follows:

Section 123. *Registrability.* – 123.1. A mark cannot be registered, to:

xxx

- (e) is 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 used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, accounts 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;
- (f) is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which 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 use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use;

xxx

ARTICLE 6BIS

- (i) The countries of the Union undertake either administratively 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, imitation or translation, liable to create confusion of a mark considered by the competent authority of the country as being already the mark of a person entitled to the benefits of the present

Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

xxx

4. The adoption by the Respondent-Applicant of the "CLOBESOL" mark for goods under Class 05 is designed to ride on the goodwill of Opposer's mark, to diminish the distinctiveness and to dilute the goodwill established by the well-known "CLOBEX" mark and Clobex family of marks, i.e., "CLOBEXPRO", "CLOB-X" and "CLOBEXONAL", for goods under Class 05 and to compete unfairly with the Opposer.
5. The registration of Respondent-Applicant's trademark is contrary to the other provisions of the Intellectual Property Code of the Philippines. Public order and safety dictate that Applicant's "CLOBESOL" trademarks should not be registered due to its confusing similarity with Opposer's "CLOBEX" mark and Clobex family of marks, i.e., "CLOBEXPRO", "CLOB-X" and "CLOBEXONAL", which will likely result to prescription dispensing and medication errors. Hence, the registration of the Applicant's mark should not be allowed under the provision of Sec. 123.1 (m) of the Intellectual Property Code, to wit:

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

xxx

(m) is contrary to public order or morality

To support its opposition, Opposer submitted in evidence the following:

1. Exhibit "A" – notarized and legalized Verification and Certification of Non-Forum Shopping;
2. Exhibit "B" – notarized and legalized Special Power of Attorney;
3. Exhibit "C" – extract of authority;
4. Exhibit "D" – notarized and legalized affidavit – testimony of Maud Robert;
5. Exhibits "E" to "E-15" – notarized and legalized invoice of commercial sale of "Clobex" in the Philippines;
6. Exhibits "F" to "F-5" – notarized and legalized promotional materials of "Clobex" used in the Philippines;
7. Exhibits "G" to "G-8" – list of "Clobex" worldwide registration by country;
8. Exhibit "H" – notarized and legalized Certified True Copy of the Australia Trademark Registration No. 761395;
9. Exhibit "I" – notarized and legalized Certified True Copy of the China Trademark Registration No. 1274135;
10. Exhibit "J" – notarized and legalized Certified True Copy of the Hong Kong Trademark Registration No. 04148;
11. Exhibit "K" – notarized and legalized Certified True Copy of the Ireland Trademark Registration No. 208530;

12. Exhibit "L" – notarized and legalized Certified True Copy of the Japan Trademark Registration No. 4507370;
13. Exhibit "M" – notarized and legalized Certified True Copy of the Malaysia Trademark Registration No. 02008291;
14. Exhibit "N" – notarized and legalized Certified True copy of the Taiwan Trademark Registration No. 846684;
15. Exhibit "O" – notarized and legalized Certified True copy of the Thailand Trademark Registration No. Kor132486;
16. Exhibit "P" – Certified True copy of the Philippine Trademark Registration No. 42004005818;
17. Exhibits "Q" to "Q-2" – notarized and legalized promotional materials for "Clobex" used in Thailand;
18. Exhibits "R" to "R-5" – notarized and legalized summary of worldwide sales of "Clobex" from 2007 to 2012 in different countries;
19. Exhibits "S" to "S-4" – notarized and legalized promotional materials for "Clobex" used in India;
20. Exhibits "T" to "T-6" – notarized and legalized promotional materials for "Clobex" used in Singapore;
21. Exhibits "U" to "U-9" – notarized and legalized promotional materials for "Clobex" used in France; and
22. Exhibits "V" to "V-5" – notarized and legalized promotional materials for "Clobex" used in Brazil.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 16 January 2013. However, the Respondent-Applicant did not file an answer. Thus the Hearing Officer issued Order No. 2013-580 on 15 April 2013 declaring the Respondent-Applicant in default and the instant opposition deemed submitted for decision.

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

It is emphasized that the essence of trademark registration is to give protection to the owner of the 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 products.⁴

Thus, Sec. 123.1 (d) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), 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.

Records show that at the time the Respondent-Applicant filed its trademark application on 24 November 2011, the Opposer has a prior valid and existing trademark registration in the

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114509, 19 November 1999

Philippine for the mark CLOBEX which was granted on 28 November 2005 under Reg. No. 4-2004-005818, almost six (6) years before applicant filed its trademark application for the mark CLOBESOL. The Opposer's goods or services under Class 5 are dermatological pharmaceutical and sanitary preparations for the skin and scalp; medicated preparations for the skin and scalp; and the goods indicated in the Respondent-Applicant's trademark application are pharmaceutical drug anti-inflammatory and antipruritic under Class 5 which products are identical and/or closely related to the Opposer's.

But are the competing marks, as shown below, identical or similar or resemble each other such that confusion, mistake or deception is likely to occur?

CLOBEX

Clobesol

Opposer's Mark

Respondent-Applicant's Mark

Jurisprudence says that 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 the prospective buyer. The trademark complained should be compared and contrasted with the purchaser's memory of the trademark said to be infringed. Some factors such 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 used, may be considered for indeed, trademark infringement is a form of unfair competition⁵.

A side-by-side comparison of the competing marks would readily show that what is common between the two is the first five (5) letters of both marks which are identical and/or exactly the same – namely: C, L, O, B and E. This is the part of the marks that draw the eyes and ears. The only difference between the competing marks is in their last letter "X" for the Opposer and "SOL" for the Respondent-Applicant. However, this is insignificant and/or inconsequential, because it does not sufficiently distinguish the competing marks from each other as they are similar in sound, appearance and commercial impression. This slight distinction is overshadowed by the letters C.L.O.B.E.", the predominant features as stated above. Further, being at the beginning of the mark, it is what most remembered. It is interesting to note that the Respondent-Applicant almost appropriated or incorporated in its mark the entire mark of the Opposer's. By adding the article "SOL" in its mark will give the impression that it is part of and associated with the CLOBEX family marks of the Opposer. In this regard, 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

⁵ Clarke v. Manila Candy Co. 36 Phil 100, 106, Co Tiong SA v. Director of Patents as Phil. 1, 4.

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 other.⁶

Consumers will likely assume that the Respondent-Applicant's mark is just a variation of the Opposer's and/or the goods and services originate or provided by one party alone, or the parties are connected with one another which in fact there is none. The likelihood of confusion would subsist not only on the purchaser's perception of the goods but on the origin thereof as held by the Supreme Court.⁷

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

Also, this Bureau notices that the goods covered by the Opposer's trademark are similar and/or closely related to those indicated in the Respondent-Applicant's trademark application under Class 5 of the International Classification of Goods and Services and have the same generic name CLOBETASOL PROPIONATE which increases or gives rise to confusion between the goods.

It is stressed that the law on trademarks and tradenames is based on the principle of business integrity and common justice. This law, both in letter and spirit is laid upon the premise that, while it encourages fair trade in energy way and aims to foster, and not to hamper competition, no one especially a trader, is justified in damaging or jeopardizing others business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built by another.⁸

Of course, as in all cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combination of letters and designs available, the appellee has to choose those so closely similar to another's trademarks if there was no intent to take advantage of the goodwill generated by the other mark.⁹

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Section 123.1 (d) of the Intellectual Property Code of the Philippines ("IP Code") R.A. No. 8293.

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 CLOBETASOL. If CLOBESOL

⁶ See *Societe Des Produits Nestle, S.A. v. Court of Appeals*, G.R. No. 112012, 4 April 2001, 356 SCRA 207, 217.

⁷ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et.al.* G.R. No. L-27906, 08 Jan. 1987.

⁸ *La Chemise Lacoste v. Judge Oscar C. Fernandez, et.al.* G.R. No. L-63796-97, 02 May 1984.

⁹ See *Baltimore Bedding Corp. v. Moser*, 182 and 229, 34A (2d) 338.

is registered in favor of the Respondent-Applicant, it would give said party the exclusive use of the syllables "CLOBETASOL". Paragraph (j) of Sec. 123.1 of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provide that a mark cannot be registered if it:

- (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 service, or other characteristics of the goods or services. xxx

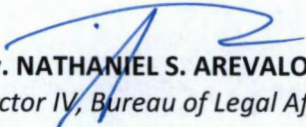
Assuming in arguendo that CLOBESOL is not exactly the generic name CLOBETASOL the fact that these names are nearly identical to each other brings the Respondent-Applicant's trademark application within the ambit of Sec. 123.1 (j) of the IP Code.

The Respondent-Applicant was given the opportunity to explain its side and defend its trademark application. However, it failed and/or chose not to do so.

WHEREFORE, premises considered the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-014082 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 21 February 2014.


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

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