



NATRAPHARM, INC.,
Opposer,

-versus-

ZUNECA INCORPORATED,
Respondent- Applicant.

x-----x

}
} **IPC No. 14-2010-00025**
} Opposition to:
} Appln. Serial No. 4-2009-006943
} (Filing Date: 14 July 2009)
} **TM: "ZYNAD"**

NOTICE OF DECISION

FEDERIS & ASSOCIATES
Counsel for the Opposer
Suite 2005 88 Corporate Center
141 Valero Street, Salcedo Village
Makati City

ATTY. EDEN D. SARNE
Counsel for the Respondent-Applicant
Unit 103 Heart Tower
108 Valero Street, Salcedo Village
Makati City

GREETINGS:

Please be informed that Decision No. 2014 - 135 dated May 14, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 14, 2014.

For the Director:

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



NATRAPHARM, INC.,
Opposer,

IPC No. 14-2010-00025
Opposition to:

-versus -

Appln. Serial No. 4-2009-006943
(Filing Date: 14 July 2009)
TM: "ZYNAD"

ZUNECA INCORPORATED,
Respondent-Applicant.

X-----X

Decision No. 2014- 135

DECISION

NATRAPHARM, INC. ("Opposer")¹ filed an opposition to Trademark Application Serial No. 4-2009-006943. The application, filed by ZUNECA INCORPORATED ("Respondent-Applicant")², covers the mark "ZYNAD" for use on "*pharmaceutical products, namely, antidepressant*" under Class 5 of the International Classification of goods.³

The Opposer alleges, among other things, that it is the registered owner of the trademark "ZYNAPSE" under Reg. No. 4-2007-005596 issued on 24 September 2007. The registration covers "*pharmaceutical medicine for human use particularly those indicated for cerebrovascular disease or stroke, and head injuries*". According to the Opposer, ZYNAD is identical or confusingly similar to ZYNAPSE such that its registration in favor of the Respondent-Applicant is proscribed by Sec. 123.1, sub-paragraphs (d) and (g), of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code").

To support its opposition, the Opposer submitted as evidence a copy of a handbook on *pharmacovigilance*, the affidavit of its Vice-President for Marketing Christina Ravelo, certified true copy of its Articles of Incorporation, minutes of its Board Meeting, printout of the webpage of its website (www.natrapharm.com), certified copy of Cert. of Trademark Reg. No. 4-2007-005596, certified copies of Certificate of Product Registration issued by the Bureau of Food and Drug⁴, sample of each of the ZYNAPSE variants, actual sales receipts covering the purchase of ZYNAPSE products, actual marketing and advertising materials for ZYNAPSE, actual list of some of marketing events and gatherings and the corresponding dates, actual photographs taken during marketing events and gatherings, places and establishments in the Philippines where ZYNAPSE is being sold, a database printout of the sales of ZYNAPSE nationwide for 2008, and certified true copy of Opposer's Audited Financial Statement.⁵

- 1 Is a corporation duly organized and existing under the laws of the Philippines, with business address at Km. 18 West Service Road, South Luzon Expressway, Parañaque City.
- 2 Is likewise a corporation organized and existing under the laws of the Philippines, with business address at 86 K-6th St., East Kamias, Quezon City.
- 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.
- 4 Now known as the Food and Drug Authority.
- 5 Marked as Exhibits "A" to "M", inclusive.

1

The Respondent-Applicant filed its Answer 19 April 2010, alleging among other things, the following:

- "2. The matter of application for registration of the trademark 'ZYNAD', stated in the opening paragraph and paragraph 4 of the opposition is admitted;
- "3. The matter of the corporate status and other circumstances of herein respondent applicant, ZUNECA, INC. as stated in paragraph 3 is admitted;
- "4. The claim of Opposer' as registered owner of the trademark 'ZYNAPSE' is specifically denied. Opposer is very much aware of the pending case before the Regional Trial Court, Branch 93 of Quezon City under Case No. Q-07-61561 which the same opposer filed against the same company now herein respondent-applicants. In the said pending case, the issue of the exclusive ownership of the trademark 'ZYNAPSE' of the opposer, Nathrapharm and the trademark 'ZYNAPS' of the herein Respondent-Applicant is still unresolved;
- "5. The grounds stated in paragraph a., b., (c?), d. e, f, g, are specifically denied being not applicable to this case since the opposer is not the exclusive owner of the trademark 'ZYNAPSE';
- "6. The opposer is very much aware that both trademarks, 'ZYNAPSE, which is allegedly own by herein opposer, and 'ZYNAPS' owned by herein respondent-applicant are still in the market, hence opposer has no claim for exclusivity and therefore not a proper party yet to this case;
- "7. The respondent-applicant has no knowledge or information sufficient to form a belief as to the truth of the matters alleged by the opposer in its arguments and discussions under paragraphs 5, 6, 7, to 61 and the rest of its allegations;
- "8. That herein respondent-applicant refrain and withhold any arguments and comments on any and all the arguments and issues raised by the opposers in the application for registration of the trademark 'ZYNAD'. Respondent-applicant believes that any argument and comment that will be made by the respondent will be a 'subjudice' on the pending case mentioned above in paragraph 4 hereof.
- "9. Worth mentioning is the statement of the opposer in the executed Verification and Certification, under paragraph 4, 'that opposer has not commenced any action or filed any claim involving the same issues in court, tribunal or quasi-judicial agency, and to the best of my knowledge, no such action or claim is pending therein', is not quite accurate because o the existing pending case before RTC branch 93 of Quezon City filed by the same opposer against the same respondent involving similar issue with the same subject matter, trademark 'ZYNAPSE'."

On 29 April 2010, the Opposer filed a "REPLY" to the Respondent-Applicant's Answer. Then after, the preliminary conference was conducted followed by the filing by the Opposer of its position paper on 16 August 2010. The Respondent-Applicant did not file a position paper.

This Bureau noticed that the Respondent-Applicant cited Civil Case No. Q-07-61561 pending in the Regional Trial Court, Branch 93 of Quezon City. This Bureau, however, agrees with the Opposer's contention, to wit:

- "20. Needless to state the issue in this case is different from the issue in the

pending Civil Case No. Q-07-61561: while the issue in the instant case is whether or not 'ZYNAD should be allowed registration, the issue in the pending Civil Case No. Q-07-61561 is whether or not Respondent-Applicant committed trademark infringement by using the mark 'ZYNAPS'. The issue of Opposer's ownership of 'ZYNAPSE' is certainly not at issue in the pending Civil Case Q-07-61561 as Opposer even based the infringement suit on its ownership over the mark."

x x x

"24. Respondent-Applicant is therefore muddling the issues to hide its lack of plausible legal arguments against the clearly meritorious opposition of Opposer. Undoubtedly, Opposer has no obligation to disclose the pending Civil Case No. Q-07-61561 in the Certification of Non-Forum Shopping since it does not involve the same issues as the issues in this case. To reiterate, the civil case involves 'ZYNAPSE' v. 'ZYNAPS,' while the instant case involves 'ZYNAPSE' v. 'ZYNAD'."⁶

Now, should the Respondent-Applicant be allowed to register in its favor the mark ZYNAD?

It is emphasized that the essence of trademark registration is to give protection to the owners of trademark. The function of the 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.⁷

In this regard, Sec. 123.1(d) of the IP Code provides that a mark shall not 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 14 July 2009, the Opposer already has an existing trademark registration for the mark ZYNAPSE (Cert. of Reg. No. 04-2007-005596). The registration, issued on 24 September 2007, covers goods or products that are closely related to those indicated in the Respondent-Applicant's trademark application.

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

ZYNAPSE

Opposer's mark

ZYNAD

Respondent-Applicant's mark

⁶ Opposer's REPLY, pp. 9-10.

⁷ *Pribhdas J. Mürpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999.

The only difference between the marks is that in the mark applied for registration by Respondent-Applicant, the letters "PSE" were replaced by letter "D". The slight variance in the spelling, however, is inconsequential. The marks still look and sound similar to each other. ZYNAPSE, like ZYNAD, is a two-syllable word, with the second syllable pronounced as "naps".

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 other⁸. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark or trade name with that of the other mark or trade name in their over-all presentation or in their essential, substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article⁹.

The mark ZYNAPSE is not derived from the generic name nor is descriptive of the goods to which it is attached. It is unique and highly distinctive. Hence, a mark that is:

1. almost identical to ZYNAPSE, and
2. is used on goods that are similar and/or closely related to those goods bearing the mark ZYNAPSE,

is likely to cause confusion, or worse, deception. It is stressed that the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.¹⁰ 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.¹¹

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

Consumers confronted by the two competing marks, ZYNAPSE and ZYNAD, may likely believe that there is a connection between them and/or the parties as one mark is assumed to

⁸ *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 April 2001, 356 SCRA 207, 217.

⁹ *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.

¹⁰ *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

¹¹ *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

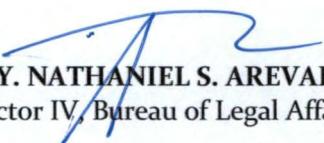
be just a variation of the other.

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant Opposition is hereby **SUSTAINED**. Let the file wrapper of Trademark Application No. 4-2009-006943 be returned, together with a copy of this Decision, to the Bureau of Trademark for information and appropriate action.

SO ORDERED.

Taguig City, 14 May 2014.



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