



NOVARTIS AG,
Opposer,

-versus-

AAA PHARMA, INC.,
Respondent-Applicant.

X-----X

} IPC No. 14-2009-00214
} Opposition to:
} Appln. Serial No. 4-2008-013443
} Date filed: 31 October 2008
} TM: "AMBES"

NOTICE OF DECISION

E. B. ASTUDILLO & ASSOCIATES
Counsel for the Opposer
10th Floor, Citibank Center
8741 Paseo de Roxas
Makati City

**SANIDAD ABAYA TE* VITERBO
ENRIQUEZ & TAN Law Firm**
Counsel for Respondent-Applicant
2nd Floor, Eastside Building, 77 Malakas Street
Brgy. Pinyahan, Diliman
Quezon City

GREETINGS:

Please be informed that Decision No. 2012 – 203 dated October 15, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 15, 2012.

For the Director:

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



NOVARTIS AG,	}	IPC No. 14-2009-00214
Opposer,	}	Opposition to:
	}	
- versus -	}	Appln. Serial No. 4-2008-013443
	}	Date Filed: 31 October 2008
AAA PHARMA, INC.,	}	
Respondent-Applicant.	}	Trademark: AMBES
x-----x	x	Decision No. 2012 - <u>203</u>

DECISION

NOVARTIS AG¹ ("Opposer") filed on 27 August 2009 a Verified Notice of Opposition to Trademark Application No. 4-2008-013443. The application, filed by AAA PHARMA, INC.² ("Respondent-Applicant") covers the mark AMBES for use on "*pharmaceutical namely, antihypertensives*" under Class 05 of the International Classification of goods³.

The Opposer alleges that the trademark AMBES being applied for by Respondent-Applicant is confusingly similar to Opposer's trademark AMBESYL, as to be likely, when applied to or used in connection with the goods of Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public. According to the Opposer, the registration of the trademark AMBES in the name of Respondent-Applicant will violate Section 123.1 (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines and is contrary to other provisions of the said Code. Also, the registration and use by Respondent-Applicant of the trademark AMBES will diminish the distinctiveness and dilute the goodwill of Opposer's trademark AMBESYL.

The Opposer's evidence consists of the following:

1. Copy of Certificate of Trademark Registration No. 4-2008-007932 issued by the Intellectual Property Office of the Philippines;
2. Copies of the Certificates of Product Registration Nos. DRP-1276 and DR-XY35097 issued by the Bureau of Food and Drugs of the Department of Health of the Philippine Government;
3. Opposer's packaging and/or promotional materials bearing the mark AMBESYL;
4. Copies of the sales purchase orders and invoices of Opposer's product bearing the mark AMBESYL;
5. Copy of Opposer's Malaysian trademark application for the mark AMBESYL;
6. Copy of Opposer's Annual Report for the year 2007; and
7. Duly signed, notarized and authenticated Affidavit-Testimony of

¹ A corporation duly organized and existing under and by virtue of the laws of Switzerland, with business address at 4002 Basel, Switzerland.

² A domestic corporation with principal office at 105 Maryland St., Cubao, Quezon City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service 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.

witness Marcus Goldbach and Andrea Felbermeir.

The Respondent-Applicant filed its Answer on 04 November 2009, claiming that:

"2. Opposer also reasons that AMBES and AMBESYL have exactly the same first five letters. However, Respondent-Applicant firmly believes that the last two letters (YL) sufficiently distinguishes it from Opposer's mark, much like we can distinguish the countries NIGER from NIGERIA;

"3. Furthermore, the BIG MAC and BIG MAK issue found in *McDonald's Corporation, et. al. v. L.C. Big Mak Burger, et. al.* (437 SCRA 10) cannot apply because the two marks in the McDonald's case sound and are spelled similarly except for the last letter (K – which still sounds like the letter C);

"4. Had Respondent-Applicant's mark been called AMVESYL, the dominance test found in the McDonald's case then can squarely apply;

"5. Opposer also points out that both trademarks covers similar goods under International Class 5. While both admittedly are pharmaceutical products, Opposer's AMBESYL are likewise: *"...veterinary and sanitary preparations, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings, materials for stopping teeth, dental wax."* Respondent-Applicant's AMBES merely covers anti-hypertensives. The likelihood of such confusion is remote because baby food cannot be mistaken for anti-hypertensive medicines; and

"6. Finally, Opposer's argument that Respondent-Applicant is just obviously intending to trade on its goodwill is unfair and arrogant. Respondent-Applicant sees it from another view: small players are being beleaguered by big pharmaceutical companies which has resulted in the high cost of medicine in the Philippines, one of the highest in Asia, and to obvious of the Filipino consumer. Respondent-Applicant may not have the sales volume amounting to the billions of dollars that Opposer seems to be proud to brandish. However, it still believes that it has as much right to its application than any other applications filed by pharmaceutical companies, big or small. Besides, unless the letters of the alphabet had already been patented by the Opposer, Respondent-Applicant has the right to use the letters it may deem fit."

The Opposer filed its Reply on 12 November 2009. Then after, the preliminary conference was conducted and terminated on 22 January 2010. The Opposer filed its position paper on 15 February 2010 while the Respondent-Applicant did so on 22 February 2010.

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

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 Thus, Sec. 123.1 (d) of the 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.

The records show that at the time the Respondent-Applicant filed its trademark application on 31 October 2008, the Opposer already has an existing registration for the trademark AMBESYL issued on 13 October 2008⁵ for use on "*pharmaceutical, veterinary and sanitary preparations, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings, materials for stopping teeth, dental wax*" under Class 05. It appears, however, that the goods covered by the said trademark registration, are not similar and/or closely related to those indicated in the Respondent-Applicant's trademark application. Nevertheless, the Respondent-Applicant's trademark application should not be allowed because the marks, as shown below, resemble each other as to be likely to deceive or cause confusion.

AMBESYL

Opposer's mark

AMBES

Respondent-Applicant's mark

The only difference between the contending marks is the presence of the letters "YL" in the Opposer's mark. This slight difference in the spellings is inconsequential to the effect on the eyes and ears, and memory. In this regard, what gives the Opposer's mark a distinctive character that appeals to the eyes and ears are the syllables "AM" and "BES" which is the mark sought to be registered by the Respondent-Applicant. Also, both marks are word marks in plain letterings without any unique device or design thus, compounding the possibility of confusion.

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

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

⁵ Exhibit "A".

purchaser of the older brand mistaking the newer brand for it.⁶ 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: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 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.

Succinctly, the differences in the spelling between the marks and in the specific pharmaceutical products on which these marks are used, do not diminish the likelihood of the occurrence of mistake or confusion. Committing mistake in fact, in dispensing or taking the wrong medicine or products due to striking resemblance between the marks could be fatal for the patients.

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 filewrapper of Trademark Application Serial No. 4-2008-013443, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 15 October 2012.


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

⁶ See *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

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