



NOVARTIS AG,  
Opposer,

-versus-

OEP PHILIPPINES, INC.,  
Respondent –Applicant.

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IPC No. 14-2012-00085  
Opposition to:  
Appln. Serial No. 4-2011-012321  
Filing Date : 13 October 2011  
TM: "ZITH"

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### NOTICE OF DECISION

#### E. B. ASTUDILLO & ASSOCIATES

Counsel for the Opposer  
10<sup>th</sup> Floor, Citibank Center  
8741 Paseo de Roxas  
Makati City

OEP PHILIPPINES, INC.  
Respondent-Applicant  
Unit 606 SEDDCO I Building  
cor. Rada & Legaspi Streets  
Legaspi Village  
Makati City

#### GREETINGS:

Please be informed that Decision No. 2014 - 57 dated February 26, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, February 26, 2014.

For the Director:

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



NOVARTIS AG,  
*Opposer,*

-versus-

OEP PHILIPPINES, INC.,  
*Respondent-Applicant.*

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(Filing Date: 13 October 2011)

TM: "ZITH"

Decision No. 2014- 57

## DECISION

NOVARTIS AG ("Opposer")<sup>1</sup> filed an opposition to Trademark Application Serial No. 4-2011-012321. The application, filed by OEP Philippines ("Respondent-Applicant")<sup>2</sup>, covers the mark "ZITH" for use on "*pharmaceutical/drug product taken orally indicated for the treatment of mycobacterium avium complex and protozoal infections and prophylaxis of endocarditis*" under Class 5 of the International Classification of Goods and Services<sup>3</sup>.

The Opposer alleges, among other things, that the registration of the mark ZITH in favor of the Respondent-Applicant will violate and contravene the provisions of Section 123.1(d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). According to the Opposer, ZITH is confusingly similar to its registered trademark "AZYTH" as to be likely to cause confusion or mistake, or deceive the purchaser's thereof as to the origin of the goods. To support its opposition, the Opposer submitted as evidence the following:

1. Exhibit "A" – copy of Certificate of Registration No.4-2007-009510 for the mark AZYTH;
2. Exhibit "B" – copy of Certificate of Product Registration No. DR-XY32518 issued by the Bureau of Food and Drugs;
3. Exhibits "C" – Certificate of Product Registration No. DR-XY32519 issued by the Bureau of Food and Drugs;
4. Exhibits "D" to "F" – various product packaging of goods bearing the mark AZYTH;
5. Exhibits "G" and "G-1" – copy of the purchase order of the product bearing the mark AZYTH;
6. Exhibit "H" – copy of the invoice of the product bearing the mark AZYTH;
7. Exhibit "I" – Corporate Secretary's Certificate;
8. Exhibits "J" to "J-7" – Legalized Joint Affidavit-Testimony of Marcus Goldbach and Andrea Felbermeir; and
9. Exhibits "K" to "K-3" – portion of the Opposer's 2011 Annual Report.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Application 20 September 2012. The Respondent-Applicant, however, did not file an Answer. Thus, the Hearing Officer issued on 08 March 2013 an Order declaring the Respondent-Applicant in default.

<sup>1</sup> A corporation organized and existing under the laws of Switzerland with business address at 4002 Basel, Switzerland.

<sup>2</sup> A domestic corporation with address at Unit 606 SEDCCO I Bldg. corner Rada and Legaspi Streets, Legaspi Village, Makati City.

<sup>3</sup> 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.

The instant opposition is anchored on Sec. 123.1 (d) of the 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.

Records show that at the time the Respondent-Applicant filed its trademark application the Opposer already has existing registration for the mark AZYTH issued on 18 February 2008. This registration covers "*pharmaceutical, veterinary and sanitary preparations, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings, material for stopping teeth, dental wax*" under Class 05. Taking note of the broad term "pharmaceutical", this Bureau finds that these could cover the pharmaceutical product indicated in the Respondent-Applicant's trademark application.

But are the competing marks confusingly similar?

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 competition<sup>4</sup>.

In this regard, the marks ZITH and AZYTH are almost identical. The difference in the spelling is of no moment. The letter "I" in ZITH is phonetically similar to the letter "Y" in AZYTH, such that the marks sound practically the same. The absence of the letter "A" in the Respondent-Applicant is insignificant. The vertical and horizontal lines of the letters "Z", "T" and "H" dominate the visual appearance of both marks.

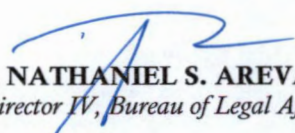
Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other<sup>5</sup>. Because the competing marks are confusingly similar, consumers may also likely assume, that the Respondent-Applicant's mark is just a variation of or related to the Opposer's and/or the goods or services originate or provided by one party alone or the parties themselves are connected or associated with one another while in fact there is none. The likelihood of confusion would subsist not only on the purchaser's perception of the goods but on the origins thereof as held by the Supreme Court<sup>6</sup>.

Thus, this Bureau finds and concludes that the registration of the mark ZITH in favor of the Respondent-Applicant 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. 4-2011-012321 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 26 February 2014.

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

<sup>4</sup> *Clarke v. Manila Candy Co.*, 36 Phil 100, 106.

<sup>5</sup> *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 April 2001, 356 SCRA 207, 217.

<sup>6</sup> *Converse Rubber Corp. v. Universal Rubber Products, Inc. et.al.* G.R. No. L-27906, 08 Jan. 1987.