



QUALIFIRST HEALTH, INC.,
Opposer,

-versus-

2 WORLD TRADERS SUBIC, INC.,
Respondent- Applicant.

X-----X

}
} IPC No. 14-2011-00038
} Opposition to:
} Appln. Serial No. 4-2010-005797
} Date Filed: 31 May 2010
} TM: "PERAZ"
}

NOTICE OF DECISION

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2 WORLD TRADERS SUBIC, INC.
Respondent-Applicant
Unit J Anglo Asia Bldg., Commitment Street
Subic Bay Industrial Park, Freeport Zone
Olongapo City

GREETINGS:

Please be informed that Decision No. 2014 - ____ dated April 25, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 25, 2014.

For the Director:


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



QUALIFIRST HEALTH, INC.,
Opposer,

- versus -

2 WORLD TRADERS SUBIC, INC.,
Respondent-Applicant.

x -----x

IPC No. 14-2011-00038

Appln. Serial No. 4-2010-005797

Filing Date: 31 May 2010

Trademark: **"PERAZ"**

Decision No. 2014 - 120

DECISION

QUALIFIRST, INC.,¹ filed an opposition to Trademark Application Serial No. 4-2010-005797. The application, filed by 2 WORLD TRADERS SUBIC, INC. (Respondent-Applicant)², covers the mark "PERAZ" for use on "pharmaceutical preparations" under class 05 of the International Classification of Goods and Services³.

The Opposer alleges among other things the following:

"1. The trademark 'PERAZ' so resembles 'PIPERAZ' trademark owned by Opposer, registered with this Honorable Office prior to the publication for opposition of the mark 'PERAZ'. The trademark 'PERAZ' which is owned by Respondent, will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed trademark 'PERAZ' is applied for the same class of goods as that of trademark 'PIPERAZ', i.e. Class (5).

"2. The registration of the trademark 'PERAZ' in the name of the Respondent will violate Sec. 123 of Republic Act No. 8293, otherwise known as the 'Intellectual Property Code of the Philippines', x x x

"3. Respondent's use and registration of the trademark 'PERAZ' will diminish the distinctiveness and dilute the goodwill of Opposer's trademark 'PIPERAZ'.

"4. Opposer, the owner of the trademark 'PIPERAZ', is engaged in the marketing and sale of pharmaceutical products. The Trademark Application for the trademark 'PIPERAZ' was filed with the Intellectual Property Office on 28 October 2008 by Opposer and was approved for registration on 16 February 2009 and valid for a period of ten (10) years. Hence, the registration of the 'PIPERAZ' trademark subsists and remains valid to date.

"5. The trademark 'PIPERAZ' has been extensively used in commerce in the Philippines.

x x x

¹ A domestic corporation with principal office address at Unit 902 Citystate Condominium, 709 Shaw Blvd., Oranbo, Pasig City.

² A domestic corporation with address at Unit J Anglo Asia Bldg., Commitment St., Subic Bay Industrial Park, Freeport Zone, Olongapo City.

³ The Nice Classification of goods and services is for registering trademark and service marks, based on a Multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

"5.2 In order to legally market, distribute and sell these pharmaceutical preparations in the Philippines, Opposer registered the products with the Food and Drugs Administration (formerly BFAD).

"6. There is no doubt that by virtue of the above-mentioned Certificate of Registration, the uninterrupted use of the trademark 'PIPERAZ', the Opposer has acquired an exclusive ownership over the 'PIPERAZ' marks to the exclusion of all others.

"7. 'PERAZ' is confusingly similar to 'PIPERAZ'.

x x x

"9. To allow Respondent to continue to market its products bearing the 'PERAZ' mark undermines Opposer's right to its marks. As the lawful owner of the mark 'PIPERAZ', Opposer is entitled to prevent the Respondent from using a confusingly similar mark in the course of trade where such would likely mislead the public.

"9.1 Being the lawful owner of 'PIPERAZ', Opposer has the exclusive right to use and/or appropriate the said marks and prevent all third parties not having its consent from using in the course of trade identical or similar marks, where such would result in a likelihood of confusion.

"9.2 By virtue of Opposer's ownership of the trademark 'PIPERAZ', it also has the right to prevent third parties, such as Respondent, from claiming ownership over Opposer's marks or any deception similar thereto, without its authority or consent.

"9.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks which the Supreme Court cited in McDonald's Corporation, McGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc. 437 SCRA 268 (2004), it is evident that the mark 'PERAZ' is aurally confusingly similar to Opposer's mark 'PIPERAZ'.

"9.4 To allow Respondent to use its 'PERAZ' mark on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the 'PERAZ' products of Respondent originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'PIPERAZ' products of Opposer, when such connection does not exist.

"9.5 In any event, as between the newcomer, Respondent, which by the confusion loses nothing and gains patronage unjustly by the association of its products bearing the 'PERAZ' mark with 'PIPERAZ' mark, and the first user and actual owner of PIPERAZ, Opposer, which by substantial investment of time and resources and by honest dealing has already achieved favour with the public and already possesses goodwill, any doubt should be resolved against the newcomer, Respondent, considering that Respondent, as the latter entrant in the market had a vast range of marks to choose from which would sufficiently distinguish its products from those existing in the market.

"10. By virtue of Opposer's prior and continued use of the trademark 'PIPERAZ', the same have established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent's confusingly similar trademark on its goods will enable the latter to obtain benefit from Opposer's reputation, goodwill and will tend to deceive and/or confuse the public into believing that Respondent is in any way connected with the Opposer.

"11. Likewise, the fact that Respondent seeks to have its mark 'PERAZ' registered in the same class (Nice Classification 5) as the trademark 'PIPERAZ' of Opposer will undoubtedly add to the likelihood of confusion among the purchasers of these two goods."

The Opposer's evidence consists of the following:

1. Exhibit "A" - IPO Electronic Gazette showing trademarks published for opposition;
2. Exhibit "B" - Certificate of Registration of PIPERAZ;
3. Exhibit "C" - Actual packaging of PIPERAZ; and,
4. Exhibit "D" - Certificate of Listing of Identical Drug Product by the Bureau of Food and Drugs.

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 07 April 2011. Respondent-Applicant however, did not file an answer. Thus, the case is deemed submitted for decision.

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

It is emphasized that 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 or 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, Section 123.1 paragraph (d) of Rep. Act 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 mark as to be likely to deceive or cause confusion.

The records and evidence show that at the time the Respondent-Applicant filed its trademark application on 31 May 2010, the Opposer has already an existing trademark registration for the mark PIPERAZ bearing Registration No. 4-2008-013219 issued on 16 February 2009⁵, and renewed accordingly.

But, are the contending marks, depicted below, resemble each other such that confusion, even deception, is likely to occur?

Piperaz

PERAZ

Opposer's Trademark

Respondent-Applicant's Trademark

The only difference between the marks is that the Opposer has the letters or syllables "PI" before "PERAZ". 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

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

⁵ Exhibit "B" of Opposer.

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.⁶ Colorable imitation does not mean such similitude as amount 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 tradename with that of the other mark or tradename 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 article.⁷

Succinctly, the Opposer's "PIPERAZ" covers antibacterial pharmaceutical preparation;⁸ whereas, Respondent-Applicant's trademark application indicates "pharmaceutical preparations".⁹ The term "pharmaceutical preparation" is so broad that it could include the goods/products covered by the Opposer's trademark registration.

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. Hence, 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.

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 Serial No. 4-2010-005797 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 25 April 2014.


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

⁶ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001, 356 SCRA 207, 217.

⁷ Emerald Garment Manufacturing Corp. V. Court of Appeals, G.R. No. 100098, 29 December 1995.

⁸ Exhibit "B" of Opposer.

⁹ File wrapper records.

¹⁰ American Wire and Cable Co. v. Director of Patents, et al., (31 SCRA 544) G.R. No. L-26557, 18 February 1970.

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