



SMITHS MEDICAL INTERNATIONAL LTD.,
Opposer,

-versus-

NOVARTIS AG,
Respondent-Applicant.

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}
} IPC No. 14-2011-00493
} Opposition to:
} Appln. Serial No. 4-2011-007074
} Date Filed: 16 June 2011
} TM: "SACSECURE"
}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2013 - 140 dated July 23, 2013 (copy enclosed)
was promulgated in the above entitled case.

Taguig City, July 23, 2013.

For the Director:

Atty. PAUSI U. SAPAK
Hearing Officer
Bureau of Legal Affairs

CERTIFIED TRUE COPY

Sharon S. Alcantara
SHARON S. ALCANTARA
Records Officer II
Bureau of Legal Affairs, IPO



SMITHS MEDICAL INTERNATIONAL,
LTD.,

Opposer,

-versus-

NOVARTIS AG,
Respondent-Applicant.

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IPC No. 14-2011-00493

Case Filed: 22 December 2011

Opposition to:

Appln. No. : 4-2011-007074

Date Filed: 16 June 2011

TM: "SACSECURE"

Decision No. 2013- 140

DECISION

SMITHS MEDICAL INTERNATIONAL, LTD. ("Opposer")¹ filed on 22 December 2011 an opposition to Trademark Application Serial No. 4-2011-007074. The application, filed by NOVARTIS AG ("Respondent-Applicant")², covers the mark "SACSECURE" for use on "Surgical, Medical, Dental and Veterinary apparatus and instruments, Artificial Limbs, Eyes and Teeth, Orthopedic Articles, Sature Materials" under Class 5 of the International Classification of Goods.³

The Opposer alleges among other things, that it is the registered owner of the mark "CSECURE" in various countries;

1. it applied for the registration of the mark "CSECURE" under Application Number 4-2011-12486 on 17 October 2011;
2. it has been in actual use in commerce in the Philippines since at least 2008;
3. its trademark has been in the Philippine market and still in use;
4. it has been the owner of the trademark "CSECURE" and its variants worldwide since 1998 and is considered as well-known;
5. it has invested tremendous amount of resources in the research, manufacture, quality assurance, improvement, marketing and distribution of its "CSECURE" product and the registration of the mark in

¹ A corporation duly organized and existing under the laws of England, with business address at 1500 Eureka Park, Lower Pimberton, Ashford, Kent TN25 4BF, England.

² With address at 4002 BASEL SWITZERLAND.

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.

the name of the Respondent-Applicant would cause grave and irreparable loss, injury and damages to the Opposer;

6. the registration of the trademark subject of the instant opposition will violate its rights and interests to its trademark "CSECURE" cause confusion between the parties businesses and products, and will most assuredly result in the dilution and loss of distinctiveness of its trademark.

The Opposer's evidence consists of the following:

1. Exhibit "A" - Copy from the IPO website of the CSECURE Application;
2. Exhibit "B" - Special Power of Attorney from Smiths Medical;
3. Exhibit "C" - Certified copy of Australian Registration Certificate 763157 for the mark CSECURE;
4. Exhibit "D" - Certified copy of OHIM Registration Certificate 830133 for the mark CSECURE;
5. Exhibit "E" - Certified copy of Japanese Registration Certificate 4305595 for the mark CSECURE;
6. Exhibit "F" - Certified copy of Mexican Registration Certificate 1117028 for the mark CSECURE;
7. Exhibit "G" - Certified copy of New Zealand Registration Certificate 292738 for the mark CSECURE;
8. Exhibit "H" - Copy of South African Registration Certificate 2000/02872 for the mark C Secure;
9. Exhibit "I" - Copy of United States Trademark Electronic Search System entry for U.S. Trademark Certificate 2618532;
10. Exhibit "J" - Copy of the first page of US Patent Number 5941853 for needle assemblies with the trademark CSECURE;
11. Exhibit "K" - Catalog information from the Smiths Medical website for the product CSECURE;
12. Exhibit "L" - Names and addresses of Philippine affiliates and distributors as found in Smiths Medical website; and
13. Exhibit "M" - Sales figures for the Philippines and worldwide grand total sales for the mark CSECURE.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 17 January 2012. On 21 February 2012, this Bureau granted the Motion for Extension of Time filed by the Respondent-Applicant to file the Answer until 17 March 2012 (Order No. 2012-316 dated 21 February 2012.) However, the Respondent-Applicant filed its Answer only on 13 April 2012. The Hearing Officer therefore issued Order No. 2012-988 declaring the Respondent-Applicant in default.

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

The competing marks are reproduced for comparison and scrutiny:

CSECURE

SACSECURE

Opposer's Mark

Respondent-Applicant's Mark

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 and sale of an inferior and different article of his products.⁴

In this regard, the Opposer anchors its case on the argument that its mark CSECURE is a well-known mark, hence, the registration of the mark SACSECURE in the name of the Respondent-Applicant is proscribed by Sec. 123.1 (e) of Rep. Act. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") to wit:

- (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, account 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.

Corollarily, Rule 102 of the Trademark Regulations, provides:

Rule 102. *Criteria for determining whether a Mark is Well-known.* In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion, of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;

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

- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is well-known mark.

The Opposer submitted evidence that its mark CSECURE has been registered and used in many countries long before the Respondent-Applicant filed a trademark application in the Philippines, particularly in Australia, European Union, Japan, Mexico, New Zealand, South Africa and the United States of America⁵. In the Philippines, the Opposer has filed the registration of its mark on 17 October 2011 for goods under Class 10.

Accordingly, the pieces of evidence submitted by the Opposer constitute at least a combination of the criteria set forth in Rule 102 of the Trademark Regulations in order to be considered a well-known mark.

But, are the competing marks confusingly similar?

The determinative factor in a contest involving trademark registration is not whether the use of such mark would likely cause confusion or mistake on the part of the buying public. In short, 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.⁶

In this regard, the Respondent-Applicant appropriated the term "CSECURE" in its entirety, and just put the letters "SA", "CSECURE". Because the Respondent-Applicant will use or uses the mark on goods or products that are similar and closely related to those covered by the Opposer's mark, the addition of the letters "SA", is inconsequential and did not diminish the likelihood of the occurrence of mistake, confusion or even deception. 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 ingenious imitation as to be calculated to deceive

⁵ Exhibit "L".

⁶ American Wire and Cable Co. v. Director of Patents et.al. (31 SCRA) G.R. No. L-26557, 18 February 1970.

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.⁷

Corollarily, trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing. Because "SACSECURE" sounds practically the same as "CSECURE", the consumer may be misled or commit mistake in attributing "SACSECURE" denominated or marked products to the Opposer, and vice versa. 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:⁸

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.

The field from which a person may select a trademark is practically unlimited. As in all cases of colorable imitation, the unanswered riddle is why, of the millions of terms and combination of letters are available, the Respondent-Applicant had come up with a mark identical or so clearly similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁹

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

WHEREFORE, premises considered, the opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-007074 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 23 July 2013.


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

/joanne

⁷ See Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 4 April 2001, 356 SCRA 207, 217.

⁸ Converse Rubber Corp., v. Universal Rubber Products, Inc., et.al. G.R. No. L-27906, 08 January 1987.

⁹ American Wire and Cable Co., v. Director of Patents et.al. (SCRA 544) G.R. No. L-26557, 18 February 1970.