



SOLVAY PHARMACEUTICAL GmbH,
(Abbot Products GmbH),
Opposer,

-versus-

DARVYS PHARMA INC.,
Respondent- Applicant.

x-----x

} IPC No. 14-2010-00192
} Opposition to:
} Appln. Serial No. 4-2009-010817
} Date Filed: 22 October 2009
} TM: "KEON"

NOTICE OF DECISION

VERALAW
(DEL ROSARIO & RABOCA)
Counsel for the Opposer
A & V Crystal Tower
105 Esteban Street, Legaspi Village
Makati City

DARVYS PHARMA, INC.
Respondent-Applicant
5/F Semicon Building, 50 Marcos Highway
Pasig City

GREETINGS:

Please be informed that Decision No. 2014 - 113 dated April 16, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 16, 2014.

For the Director:


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



SOLVAY PHARMACEUTICAL GmbH
(Abbot Products GmbH),
Opposer,

IPC No. 14-2010-00192

-versus-

Appln. Serial No. 4-2009-010817
Filing Date: 22 October 2009
Trademark: "KEON"

DARVYS PHARMA INC.,
Respondent-Applicant.

Decision No. 2014 - 113

X -----X

DECISION

SOLVAY PHARMACEUTICAL GmbH (Abbot Products GmbH)¹ filed an opposition to Trademark Application Serial No. 4-2009-010817. The application, filed by DARVYS PHARMA INC. ("Respondent-Applicant")², covers the mark "KEON" for use on "pharmaceutical preparation namely non-steroidal anti-inflammatory drug" under class 05 of the International Classification of Goods and Services³.

The Opposer alleges among other things the following:

"9. Opposer believes that it would be damaged by the registration of the mark 'KEON' in the name of Respondent.

"10. The registration of the mark 4-2009-004259 in the name of the Respondent will violate and contravene Section 123.1 (d), (e), (f) and (g) of the Intellectual Property Code, because said mark is confusingly similar to the internationally well-known marks 'KREON' and 'CREON' owned, registered and unabandoned by the Opposer.

x x x

"12. Opposer is the prior user and registered owner of the well-known marks, 'KREON' and 'CREON'. Opposer first used and introduced said marks in the 1900 or more than a century ago.

"13. The mark 'KREON' was first registered in Germany in 1937 or some 73 years ago, while the mark 'CREON' was first registered in 1982.

"14. Since its introduction, more than a century ago, the marks 'KREON' and 'CREON' has captured a substantial market share and has become one of the more popular drugs in a long list of revolutionary and lifesaving drugs manufactured by Opposer.

"15. The success of Opposer's drug under the brand name 'KREON' and 'CREON' is due, in large part, to Opposer's excellent research and development teams, as well as Opposer's policy of only producing high quality and effective drugs - standards which are at par with no other drug manufacturer in the world.

¹ A corporation duly organized and existing under the laws of Germany with principal office address at Hans-Bockler-Allee 20, Germany.

² With address at 5/F Semicon Building, 50 Marcos Highway, Pasig 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.

"16. In order to further protect the public from confusion and also to secure Opposer's substantial investment in the marks 'KREON' and 'CREON', Opposer, in addition to its home country registrations, has registered the mark 'CREON' in the Intellectual Property Office of the Philippines in March 1988 under Registration No. 038353. x x x

"17. In addition to the aforementioned Philippine registration, Opposer has likewise registered said mark in various countries and jurisdictions including Albania, Algeria, Antigua and Barbado, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Benelux, Bolivia, Bosnia and Herzegovina, Brazil, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, El Salvador, Egypt, Estonia, European Union, Finland, France, Georgia, Germany, Greece, Guatemala, Haiti, Honduras, Hongkong, Hungary, Iceland, India, Indonesia, the International Procedure and Iran, Iraq, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakstan, Kenya, Korea (Peoples Democratic Republic of), Kosovo, Kuwait, Kyrgystan, Latvia, Lebanon, Lesotho, Liberia, Libya, Liechtenstein, Lithuania, Macedonia, Malaysia, Malta, Mexico, Moldova, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Namibia, Netherlands and Antilles, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Poland, Portugal, Qatar, Romania, Russia, San Marino, Saudi Arabia, Serbia, Sierra Leone, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sudan, Suriname, Swaziland, Sweden, Switzerland, Taiwan, Tajikistan, Thailand, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Venezuela and Vietnam, x x x.

"18. Opposer likewise maintains various websites where information about the Opposer and its products 'KREON' and 'CREON' are available. The list of the websites includes:

- a. <http://abbottgrowth-arzneimittel.de/patienten/magendarm/bauchspeicheldruese/o,,35871-4-0,00.htm>
- b. <http://global.abbotgrowth.com/Products/group/product/o,,30632-2-0,00.htm>
- c. <http://www.creoinfo.co.uk/homepage.asp>
- d. <http://www.abbottgrowth.ch/patient/produkte/o,,23301-4-0,00.htm>
- e. <http://www.creon-us.com/default.htm>

"19. As a result of Opposer's efforts, products bearing the marks 'KREON' and 'CREON' have become the more popular products in Opposer's long line of life-saving and revolutionary drugs. As a matter of fact, during the periods 2005 to 2007, worldwide sales of the Company for products bearing the 'KREON' and 'CREON' have reached 395,095,000 Euros or approximately 2.4 trillion pesos."

The Opposer's evidence consists of the following:

1. Exhibit "A" - Special Power of Attorney;
2. Exhibit "B" - Verification and Certification against Forum Shopping;
3. Exhibit "C" - Printout or Respondent-Applicant's KEON trademark application details;
4. Exhibit "D" - Printout of IPO website showing status of Opposer's CREON trademark;
5. Exhibit "E" - Affidavit of C. Post-Wolfert, Trademark Attorney of Solvay Pharmaceutical GmbH, now Abbot Products GmbH;
6. Exhibit "F" - Printout of google search results page and sample websites about the marks 'KREON' and 'CREON'; and,

7. Exhibit "G" - Original legalized and notarized Affidavit-Direct Testimony of C. Post-Wolfert.

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 01 October 2010. Respondent-Applicant however, did not file an answer. Thus, the Respondent-Applicant was declared in default and the case deemed submitted for decision.

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

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 22 October 2009, the Opposer has already existing home trademark registrations for the marks KREON and CREON in 1937 and 1982, respectively.⁵ The Opposer has likewise registered its mark CREON in the Intellectual Property Office of the Philippines in March 1988 under Registration No. 038353.⁶

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

CREON

Opposer's Trademark

KEON

Respondent-Applicant's Trademark

The foregoing marks show apparent similarities in aural and visual appearance. Both marks consist are one syllable word which are identical in the ending letters E, O and N; and the similarity in sound produced by the beginning letters C and K of the respective marks. Despite the presence of the

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

⁵ Exhibits "E" and "G" of Opposer.

⁶ Exhibit "D" of Opposer.

letter R in Opposer's CREON mark, it appears as slight difference which is not sufficient to distinguish the foregoing marks.

Moreover, the goods of the contending marks are related. Opposer's mark covers pharmaceutical and veterinary medical products, dietetic food for children and patients; and plaster, bandages.⁷ On the other hand, Respondent-Applicant's mark covers pharmaceutical preparation namely non-steroidal anti-inflammatory drug.⁸ Both goods fall under class 05 of goods. The term "pharmaceutical preparation" is so broad that they could include the goods/products indicated in the Respondent-Applicant's trademark application. These goods flow on the same channels of trade. Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin.

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.⁹ 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.¹⁰

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.¹¹ 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:¹²

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.

⁷ Exhibit "D" of Opposer.

⁸ Exhibit "C" of Opposer and Filewrapper records.

⁹ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001, 356 SCRA 207, 217.

¹⁰ Emerald Garment Manufacturing Corp. V. Court of Appeals, G.R. No. 100098, 29 December 1995.

¹¹ American Wire and Cable Co. v. Director of Patents, et al., (31 SCRA 544) G.R. No. L-26557, 18 February 1970.

¹² Converse Rubber Corporation v. Universal Rubber Products, Inc., et al., G.R. No. L-27906, 08 January 1987.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the file wrapper of Trademark Application Serial No. 4-2009-010817 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 16 April 2014.


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