



UNITED LABORATORIES, INC.,  
Opposer,

-versus-

ZYDUS PHILIPPINES, INC.,  
Respondent –Applicant.

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IPC No. 14-2013-00198  
Opposition to:  
Appln. Serial No. 4-2012-014256  
Date filed: 22 November 2012  
TM: "CILAZ"

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### NOTICE OF DECISION

**OCHAVE & ESCALONA**  
Counsel for the Opposer  
No. 66 United Street  
Mandaluyong City

**ZYDUS PHILIPPINES, INC.**  
Respondent-Applicant  
Unit Penthouse 1, 19<sup>th</sup> Floor, Gold Loop Tower A  
Escriva Drive, Barangay San Antonio  
Ortigas Center, Pasig City

#### GREETINGS:

Please be informed that Decision No. 2014 - 42 dated February 13, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, February 13, 2014.

For the Director:

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



UNITED LABORATORIES, INC.,	}	IPC No. 14-2013-00198
Opposer,	}	Opposition to:
	}	
- versus -	}	Application No. 4-2012-014256
	}	Date Filed: 22 November 2012
ZYDUS PHILIPPINES, INC.,	}	
Respondent-Applicant.	}	Trademark: CILAZ
x-----x	x	Decision No. 2014 - <u>42</u>

## DECISION

UNITED LABORATORIES, INC.<sup>1</sup> ("Opposer") filed on 08 May 2013 a Verified Notice of Opposition to Trademark Application No. 4-2012-014256. The application, filed by ZYDUS PHILIPPINES, INC.<sup>2</sup> ("Respondent-Applicant") covers the mark CILAZ for use on "*cilastazole (pharmaceutical product: antiplatelet/peripheral vasodilator)*" under Class 5 of the International Classification of goods<sup>3</sup>.

The Opposer alleges the following:

"7. The mark CILAZ owned by Respondent-Applicant so resembles the trademark KLAZ owned by Opposer and duly registered with the IPO prior to the publication for opposition of the mark CILAZ.

"8. The mark CILAZ will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed mark CILAZ is applied for the same class and goods as that of Opposer's trademark KLAZ, i.e. Class 05 of the International Classification of Goods as pharmaceutical preparation.

"9. The registration of the mark CILAZ in the name of the Respondent-Applicant will violate Sec. 123 of the IP Code, which provides, in part, that a mark cannot be registered if it:

(d) is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) the same goods or services, or
- (ii) closely related goods or services, or
- (iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion; x x x

1 A domestic corporation duly organized and existing under the laws of the Philippines, with office address at 66 United Street, Mandaluyong City, Philippines.

2 A domestic corporation with office address at Unit Penthouse 1, 19<sup>th</sup> Floor, Gold Loop Tower A, Escrava Drive, Barangay San Antonio, Ortigas Center, Pasig City, Philippines.

3 Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

"10. Under the above-quoted provision, any mark, which is similar to a registered mark, shall be denied registration in respect of similar or related goods, or if the mark applied for nearly resembles a registered mark that confusion or deception in the mind of the purchasers will likely result.

"11. Also, the registration of the mark CILAZ in the name of the Respondent-Applicant will violate Sec. 123.1 (h) and (j) of the IP Code, which provides, in part, that a mark cannot be registered if it:

x x x

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

x x x

(j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services.

"12. As provided under the above-quoted provision, any mark, which is similar to a generic and/or descriptive term, shall be denied registration. Thus, considering the mark CILAZ owned by Respondent-Applicant so resembles the generic name CILOSTAZOL, a pharmaceutical drug that inhibits platelet aggregation and is a direct arterial vasodilator, Respondent-Applicant's application for the registration of the mark CILAZ should also be denied on this basis."

In support of the opposition, the Opposer submitted in evidence a copy of the pertinent page of the IPO e-Gazette<sup>4</sup> bearing publication date of 08 April 2013, certified true copy of the Certificate of Registration No. 4-2005-011646 for the trademark KLAZ<sup>5</sup>, certified true copy of the Deed of Assignment<sup>6</sup>, certified true copies of the Declarations of Actual Use<sup>7</sup>, sample product label bearing the trademark KLAZ<sup>8</sup>, certification and sales performance issued by the IMS<sup>9</sup>, certified true copy of the Certificate of Product Registration issued by the BFAD for the trademark KLAZ<sup>10</sup>, and electronic print out of the supplement to the WHO Chronicle 1985 (Vol. 39, May) List 53<sup>11</sup>.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 30 May 2013. The Respondent-Applicant, however, did not file its Verified Answer. Thus, this Bureau issued Order No. 2013-1427 dated 21

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4 Exhibit "A".

5 Exhibit "B".

6 Exhibit "C".

7 Exhibits "D" and "D-1".

8 Exhibit "E".

9 Exhibit "F".

10 Exhibit "G".

11 Exhibit "H".



October 2013 declaring the Respondent-Applicant in default and submitting the case for decision on the basis of the opposition, affidavit of witness and documentary or object evidence submitted by the Opposer.

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

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.<sup>12</sup> Thus, Section 123.1 (d) of R. A. 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 a mark as to be likely to deceive or cause confusion.

In this regard, the records and evidence show that at the time the Respondent-Applicant filed its trademark application for CILAZ on 22 November 2012, the Opposer's sister company, UNAM BRANDS (BVI) LTD., has already been issued a certificate of registration (No. 4-2005-011646) for the trademark KLAZ on 15 January 2007. Subsequently, Unam Brands (BVI) Ltd. assigned the trademark KLAZ to herein Opposer by virtue of a Deed of Assignment filed with this Office on 12 November 2007. The Respondent-Applicant's trademark application indicates that the mark is for use on "*cilastazole (pharmaceutical product: antiplatelet/peripheral vasodilator)*" under Class 05 while the Opposer's registration is also for goods under Class 5, namely, "*medicinal preparation for use as antibacterial*". The goods, therefore, are related in the sense that they are both pharmaceutical products under Class 05.

But do the marks, as shown below, resemble each other that confusion, or even deception, is likely to occur?

**Klaz**

Opposer's Mark

**CILAZ**

Respondent-Applicant's Mark

The last three (3) letters of the marks are the same. Opposer's mark starts with letter "K" while that of the Respondent's with "C". The letters "K" and "C", however, may be used interchangeably without consequent change in pronunciation. The addition of the letter "I" in the Respondent-Applicant's mark is inconsequential to negate the possibility of confusion or mistake since the syllable "CI" will still be

<sup>12</sup> See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.



pronounced just like the word "see" even without the letter "I". Also, when the marks are pronounced what reverberate or retain in the memory is the last syllable "LAZ". Moreover, since they are both word marks in plain letterings without any unique device or design, they leave the same commercial impression upon the public.

Time and again, it has been ruled that confusion cannot be avoided by merely dropping, adding or changing some of the 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>13</sup> Colorable imitation does not mean such similitude as amounts to identity, 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 overall 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.<sup>14</sup>

Succinctly, because the Opposer's and Respondent-Applicant's marks both deal with pharmaceutical products, the slight difference in the spelling and their aural effects therefore did not diminish the likelihood of the occurrence of mistake, confusion or even deception.

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.<sup>15</sup> 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:<sup>16</sup>

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.

13 *Societe Des Produits Nestle S. A. v. Court of Appeals*, G. R. No. 112012, April 4, 2001.

14 *Emerald Garment Manufacturing Corp. v. Court of Appeals*, G. R. No. 100098, December 29, 1995.

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

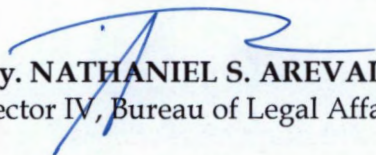
16 *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

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. 4-2012-014256 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 13 February 2014.



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