



ABBOT LABORATORIES,
Opposer,

-versus-

AMBICA INTERNATIONAL TRADING
CORPORATION,
Respondent-Applicant.

}
} IPC No. 14-2009-00005
} Opposition to:
} Appln No. 4-2008-007433
} Date filed: 23 June 2008
} TM: "KLARIKA"
}

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 292 dated November 05, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, November 05, 2014.

For the Director:


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



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IPC No. 14-2009-00005
 Case Filed: 05 January 2009
 Opposition to:
 Application No. 4-2008-007433
 Date Filed: 23 June 2008
 Trademark: "KLARIKA"

Decision No. 2014- 292

DECISION

ABBOT LABORATORIES¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2008-007433. The application, filed by Ambica International Trading Corporation² ("Respondent-Applicant"), covers the mark "KLARIKA" for use on "pharmaceutical/medicinal preparations with antibacterial action" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"The grounds for the opposition to the registration of the trademark and the facts to be proved by Opposer are as follows:

"1. Opposer is the originator, true owner and prior registrant of the trademark KLARICID, for which it was obtained, since as early as 1988 numerous trademark registrations in respect of pharmaceutical preparations in about 52 countries, territories and jurisdictions worldwide. In the Philippines, Opposer is the prior registrant of the trademark KLARICID, which is covered by Registration Number 42003006334 issued on September 3, 2006 for use on "pharmaceutical products, namely antibiotics" under Class 5. Opposer's first registration and Philippine registration both predate the filing of Respondent's application.

"2. Applicant's trademark KLARIKA as used on "pharmaceutical/medicinal preparations with antibacterial action" in Class 5 so resembles Opposer's trademark KLARICID as used on identical or closely related pharmaceutical products in Class 5 as to be likely, when applied to or used in connection with the goods of Applicant, to cause confusion, mistake and deception on the part of the purchasing public. The registration and use of a confusing similar trademark by the Applicant will tend to deceive and/or

¹ A foreign corporation duly organized under the laws of Illinois, U.S.A. with offices at Abbott Park, Illinois, U.S.A.

² A domestic corporation organized and existing under the laws of the Republic of the Philippines with address at #4 Vatican St., Merville Park Subd., Paranaque City, Philippines.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a 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 Purposes of the Registration of Marks concluded in 1957.

confuse purchasers into believing that Applicant's products emanate from or are under the sponsorship of, or licensed by Opposer, for the following reasons:

- i) The trademarks are confusingly similar;
- ii) Applicant's unauthorized appropriation and use of KLARIKA will dilute Opposer's reputation and goodwill among consumers;
- iii) the trademarks are applied on identical or closely related goods;
- iv) the parties are engaged in competitive business; and
- v) the goods on which the trademarks are used are bought by the same class of purchasers and flow through the same channels of trade.

"3. Opposer's trademark KLARICID is an internationally well-known trademark and is protected against appropriation and use by other parties, even in a confusingly similar manner, without Opposer's consent. The registration of the trademark KLARIKA in the name of the Applicant will violate Section 147 and 123.1 (d), (e) and (f) of the Intellectual Property Code ("IP Code"), Articles 6bis and 8 of the Paris Convention for the Protection of Industrial Property and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights, to which the Philippines and the U.S.A. are parties.

"4. Applicant adopted the confusingly and deceptively similar trademark KLARIKA for its identical or closely related goods with the obvious intention of misleading the public into believing that its goods bearing the trademark originate from, or are licensed or sponsored by Opposer, which has been identified in the trade and by consumers as the source of good quality and reliable pharmaceutical products bearing the trademark KLARICID.

"5. The registration and use by Applicant of the trademark KLARIKA will diminish the distinctiveness and dilute the goodwill of Opposer's trademark KLARICID, which is an arbitrary trademark for goods in Class 5, among others, and which is an internationally well-known trademark within the meaning of the above treaties on industrial and intellectual property rights and Section 147 of the Intellectual Property Code. Applicant obviously intends to trade on Opposer's goodwill.

"6. The approval of Applicant's trademark KLARIKA is based on the misrepresentation that it is the originator, true owner and first user of the trademark, which was merely copied/derived from the Opposer's well known and prior registered mark KLARICID. It is clear that Applicant adopted the trademark KLARIKA for its own products with the obvious intention of capitalizing on the popularity of Opposer's trademark KLARICID.

"7. The registration and use of KLARIKA on identical or closely related products will thus give undue trade advantage to the Applicant over the Opposer, which has obtained prior worldwide protection for the mark KLARICID in respect of pharmaceutical products in Class 5.

"8. The registration of the trademark KLARIKA in the name of the Respondent-Applicant is contrary to other provisions of the IP Code and other relevant laws.

x x x

The Opposer's evidence consists of the notarized and duly authenticated affidavit of Ms. Mary L. Winburn; a copy of the Opposer's registration certificate no. 42003006334; a copy of Opposer's BFAD certificates of product registration nos. DR-XY33241, DR-XY21833, DR-XY21287, DR-XY24276, DR-XY22378, DR-XY13957 and No. DR-XY34229; local advertising and promotional materials for Opposer's products bearing the KLARICID trademark; documents relating to Opposer's history and operations; certified and/or legalized true copies of Opposer's KLARICID trademark registration certificates/applications from Argentina, Australia, Aruba, Great Britain, Hong Kong, Indonesia and Kenya; internet search hits for "KLARICID Abbott Laboratories; list and details of Opposer's worldwide trademark registrations for KLARICID and samples of internet advertising materials promoting Opposer's products bearing the trademark KLARICID.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant, Ambica International Trading Corporation, on 27 February 2009. The Respondent-Applicant filed their Answer on 26 May 2009 and avers the following:

x x x

"Affirmative Defenses

x x x

"10. Republic Act 8293, the Intellectual Property Code of the Philippines, in Section 123 (e), prohibits the registration of a mark which is identical with, or confusingly similar to an internationally and locally well-known mark, and such registration to be used for identical or similar goods or services.

"11. The criteria or any combination thereof, that may be considered in evaluating whether or not a mark is "well-known" has been listed under Rule 102 of the Trademark Regulations.

"12. Opposer has failed to adequately prove that its mark is "well-known".

"12.1. Under RA 8293, Section 123.1 (e) provides that such designation shall be considered by the competent authority of the Philippines and account shall be taken of the knowledge of the relevant sector of the public, including knowledge in the Philippines obtained as a result of the promotion of the mark.

"12.2. Assuming that there has been registration in the more than 50 countries as claimed by Opposer's, or promotion in the Philippines as shown by materials attached in the Opposition, there has been no adequate showing of the other criteria as provided in the Trademark Regulations.

"13. There is no aural similarity between the two trademarks.

⁴ Marked as Exhibits "A" to "W", inclusive.

"13.1. KLARIKA is made up of seven letters, whereas KLARICID is made up of 8 letters.

"13.2. There is a marked aural difference between the last syllables of the two trademarks. KLARIKA ends with *-ka*, whereas KLARICID ends with *-cid*, that sounds like *sid*, and is distinctly different from the *ka* sound.

"13.3. When one hears the two trademarks, as in a radio advertisement, one can easily distinguish between the two.

"14. There is a visual difference between the two trademarks.

"14.1. As mentioned earlier, there is a difference in the number of letters composing the two marks.

"14.2. There is a marked difference in the visual appearance of the last syllable. KA is unmistakably different from CID.

"15. Respondent-Applicant did not copy or derive its KLARIKA trademark from Abbot Laboratories' KLARICID.

"15.1. The name KLARIKA was derived from the active ingredient, i.e. clarithromycin, of the medical product to which the trademark is being sought to be registered. The certified true copy of the Bureau of Food and Drug Administration certificate for the said medical product is attached as Exhibit 1 and made an integral part of this Answer.

"15.2. The trademark KLARIKA was derived from a combination of the names clarithromycin and respondent's name Ambica substituting the letter "C" with letter "K" on the second to the last letter of the trademark KLARIKA.

"16. The lack of aural and visual identity of the KLARIKA and KLARICID marks will not result in the confusion of the purchasing public, as alleged by Opposer.

"16.1. In determining likelihood of confusion, the Supreme Court in the McDonald's Corporation vs. L.C. Big Mak Burger, Inc. case has relied on the dominancy test which considers the dominant features in the competing marks in determining whether they are confusingly similar. Greater weight is given to the similarity of the appearance of the product arising from adoption of the dominant features of the registered mark. Given this test, what will be considered are the aural and visual impressions created by the two marks.

"16.2. Unlike in the abovementioned case, there is no aural or visual identity between the two marks in this case.

"16.3. A likelihood of confusion cannot be presumed. Such presumption is applicable only when there is the use of an identical sign for identical goods or services, which is not obtaining in this case.

x x x

"17. Assuming but without admitting that the KLARIKA trademark is aurally and visually similar to KLARICID, such similarity cannot be discerned in the packaging of the products.

"17.1. The packaging of KLARIKA shows the trade mark in uppercase and bold Arial font written below the generic name enclosed within a rectangle. For reference, photocopies of the packaging are attached as Exhibits 2 and 2-A.

"17.2. Products of KLARICID are marked with the KLARICID with a different font. For reference, photocopies of the packaging are attached as Exhibits 3 and 3-A.

The Respondent-Applicant's evidence consists of the notarized and duly authenticated affidavit of Ms. Mary L. Winburn; a copy of the Opposer's registration certificate no. 42003006334; a copy of Opposer's BFAD certificates of product registration nos. DR-XY33241, DR-XY21833, DR-XY21287, DR-XY24276, DR-XY22378, DR-XY13957 and No. DR-XY34229; local advertising and promotional materials for Opposer's products bearing the KLARICID trademark; documents relating to Opposer's history and operations; certified and/or legalized true copies of Opposer's KLARICID trademark registration certificates/applications from Argentina, Australia, Aruba, Great Britain, Hong Kong, Indonesia and Kenya; internet search hits for "KLARICID Abbott Laboratories; list and details of Opposer's worldwide trademark registrations for KLARICID and samples of internet advertising materials promoting Opposer's products bearing the trademark KLARICID.⁵

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

It is emphasized that 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.⁶

⁵ Marked as Exhibits "A" to "W", inclusive.

⁶ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

Thus, Sec. 123.1 (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 123. Registrability. - 123.1. A mark cannot be registered if it:

X X X

(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;"

The Opposer filed a trademark application for KLARICID on 16 July 2003. The application covers pharmaceutical product, namely an antibiotic under Class 05. On the other hand, the Respondent-Applicant filed the trademark application subject of the opposition on 23 June 2008. Respondent-Applicant's application covers goods that are similar and/or closely related to Opposer's, specifically medicinal preparations with antibacterial action.

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

KLARICID

KLARIKA

Opposer's trademark

Respondent-Applicant's mark

This Bureau finds that confusion or deception is likely to occur at this instance. There is no doubt that KLARICID was derived or inspired by the generic name "Clarithromycin". However, changing the letter "C" in clarithromycin into "K", and putting "cid" in lieu of "thromycin" conferred upon the Opposer's mark visual and aural properties that made it sufficiently distinctive to qualify as a registrable trademark. On this score, the Respondent-Applicant's adoption of the letter "K" as the first letter of the mark it applies for registration makes it confusingly similar with KLARICID. The consumers have long encountered the Opposer's mark which has the letter "K" as the first letter followed by the letters "LARI". Hence, consumers will likely assume that KLARIKA is just a variation of KLARICID and that there is a connection between the two or the parties when in fact there is none.

The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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.⁷

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁸

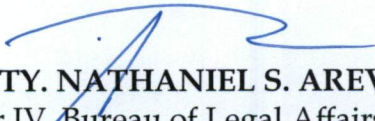
The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

In conclusion, the subject trademark application is covered by the proscription under Sec. 123.1(d) of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2008-007433 is hereby SUSTAINED. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 05 November 2014.



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

⁷ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

⁸ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.