



BAYER AG,
Opposer,

-versus-

CHEMREZ TECHNOLOGIES, INC.,
Respondent - Applicant.

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}
} **IPC No. 14-2011-00496**
} Opposition to:
} Appln. Serial No. 4-2011-007169
} Date filed: 21 June 2011
} **TM: "BANATEX"**
}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 278 dated October 28, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 28, 2014.

For the Director:


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



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Appln. Serial No. 4-2011-007169
Date Filed : 21 June 2011
Trademark: "BANATEX"

Decision No. 2014 - 278

DECISION

BAYER AG, ("Opposer")¹ filed an opposition to Trademark Application Serial No. 4-2011-007169. The application, filed by CHEMREZ TECHNOLOGIES, INC., ("Respondent-Applicant")², covers the mark "BANATEX" for use on "pesticides" under class 05 of the International Classification of Goods and Services³.

The Opposer alleged the grounds for this Opposition as follows:

"1. Opposer is the originator, true owner and first user of various internationally-known marks used on pharmaceutical, veterinary preparations, preparations for killing weeds, destroying vermin and insecticides duly registered under Class 5 of the Nice Classification. x x x

Opposer has adopted and continuously used the aforesaid marks on its products up to the present. It has already developed an exceedingly valuable goodwill worldwide on the marks BAYER, BAYER CROSS, BAYMIS, BAYCOX, BAYTRIL, BAYOVAC, and BLATTANEX which are used on pharmaceutical and veterinary preparations, preparations for killing weeds, destroying vermin and insecticides. Therefore, it has every right to exclude others, such as the respondent-applicant, from registering or using a similar mark in the Philippines, more so if such use is made on the same class of goods. x x x

"2. The filing of the application for BANATEX under Class 5 by the respondent-applicant will cause confusion on the part of the consumers or purchasers as it tends to create an impression that its products originate from the Opposer. Consumers familiar with the Opposer's products would likely buy respondent-applicant's products on the assumption that such products are made by the Opposer, thereby resulting in loss of sales to the latter. Confusion as to the respondent-applicant's affiliation, connection or association with the Opposer is likewise probable, considering that its mark is similar to the Opposer's mark.

"3. The registration of the trademark BANATEX under Class 5 in the name of the respondent-applicant will cause irreparable damage and injury to the petitioner within the contemplation of Section 134 of Republic Act 8293, otherwise known as the new Intellectual Property Code of the Philippines.

"Opposer will rely on the following facts:

¹ A corporation duly organized and existing under the laws of the Federal Republic of Germany with business address at D-51368 Leverkusen, Germany.

² With registered address at 65 Industria St., Bagumbayan, Quezon 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.

"1. Opposer is the global enterprise with core competencies in the fields of health care, nutrition, high-tech materials, veterinary preparations for killing weeds and destroying vermin, insecticides, fungicides and herbicides. Its products and services are designed to benefit people and improve their quality of life. Bayer AG, through its sub group Bayer Crop Science, manufactures highly effective products in crop protection and non-agricultural pest control.

x x x

"3. Based on sec. 123.1 (e) of the Intellectual Property Code of the Philippines of Republic Act No. 8293, Opposer's mark can be considered as a well-known mark within the contemplation of the law. For a mark to be accorded 'well-known status', it is a requirement that the mark must be considered by competent authority in the Philippines to be well-known not only in the international market but in the Philippines as well. Opposer launched its products for the marks BAYER and BAYER CROSS as early as May 23, 1968 while the product launch for BAYMIX, BAYCOX, BAYTRIL, BAYOVAC and BLATTANEX followed suit.

"4. Plainly, Opposer's marks are well-known internationally and in the Philippines. The mark's well-known status in the Philippines was due to the bonafide commercial sale of BAYER, BAYER CROSS, BAYMIX, BAYCOX, BAYTRIL, BLATTANEX and BAYOVAC products in the domestic market. Opposer has invested a considerable amount in promoting, advertising and marketing its pharmaceutical preparations bearing the marks in the Philippines through the years. The promotions resulted in a profitable and sustained sale of BAYER, BAYMIX, BAYCOX, BAYTRIL, BLATTANEX and BAYOVAC products in the Philippines through the years. x x x

"5. Opposer's preparations have likewise been advertised significantly in the internet at Opposer's website: www.bayer.com easily accessible to Filipino consumers. and are listed for sale in various websites. x x x

"6. There is really no issue as to priority of use. Opposer has been using the marks BAYER, BAYER CROSS, BAYMIX, BAYCOX, BAYTRIL, BAYOVAC and BLATTANEX in commerce long before respondent-applicant filed its application for BANATEX with the Intellectual Property Office (IPO) on June 21, 2011. Due to Opposer's significant efforts, considerable advertising and promotional activities, and of course the superior quality of its products, Opposer has already established and gained a valuable reputation on the marks BAYER, BAYER CROSS, BAYMIX, BAYCOX, BAYTRIL, BAYOVAC and BLATTANEX.

"7. A close perusal of the respondent-applicant's mark 'BANATEX' would readily reveal its close similarity to Opposer's mark BLATTANEX. Thus, respondent-applicant's mark would indubitably create confusion or deceive purchasers as to the actual source or origin of its goods to such extent that the respondent-applicant's goods may be mistaken by the unwary public as related to the products manufactured and sold by Opposer.

"8. Purchasers are likely to consider the goods of the respondent-applicant under the mark 'BANATEX' as emanating from the Opposer and on the basis thereof purchase respondent-applicant's goods, which would eventually lead to Opposer's loss of sales. The purchasing public has come to know, rely upon, recognize and depend on the superior quality of the Opposer's products bearing the marks BAYER, BAYER CROSS, BAYMIX, BAYCOX, BAYTRIL, BLATTANEX and BAYOVAC. Any defect or fault that can be found on respondent-applicant's products under the similar mark would injure the valuable goodwill and reputation which the Opposer has long established for its products.

"9. The use of the mark "BANATEX' by the respondent-applicant on identical goods will also drastically diminish the distinctiveness and dilute the goodwill of the Opposer's BAYER, BAYER CROSS, BAYMIX, BAYCOX, BAYTRIL, BLATTANEX and BAYOVAC trademarks.

In sum, it is clear from the foregoing that Opposer stands to be prejudiced and damaged should respondent-applicant's Application No. 4-2011-007169 for the trademark 'BANATEX' under Class 5 be allowed registration. Petitioner has sufficiently proven that it is the originator and first user of the trademarks BAYER, BAYER CROSS, BAYMIX, BAYCOX, BAYTRIL, BLATTANEX and BAYOVAC and is therefore entitled to protection against unauthorized users like herein respondent-applicant."

The Opposer submitted the following evidence marked as Exhibits "A" to "Z":

1. Trademark Registration No. 56833 for BAYER;
2. Declaration of Actual Use for 15th Anniversary of Registration No. 056833;
3. Trademark Registration No. 32528 for BAYER-CROSS;
4. Trademark Registration No. 56786 for BAYER CROSS INSIDE A CIRCLE;
5. Declaration of Actual Use for 15th Anniversary of Registration No. 056786;
6. Trademark Registration No. 43507 for BAYTRIL;
7. Certificate of Renewal of Registration No. 043507 for BAYTRIL;
8. Trademark Registration No. 62855 for BAYMIX;
9. Affidavit of Use/Non-Use for BAYMIX;
10. Trademark Registration No. 38287 for BAYCOX;
11. Certificate of Renewal of Registration No. 038287 for BAYCOX;
12. Trademark Application Form for BAYOVAC;
13. Trademark Registration No. 51022 for BLATTANEX;
14. Certificate of Registration No. 4-1999-10052 for BLATTANEX;
15. Affidavit of Use/Non-Use for BLATTANEX;
16. Demande Et Certificat BAYER (without official translation);
17. List of Trademark Registration of BAYER, BAYMIX, BAYCOX and BAYOVAC in various countries;
18. Promotional materials and brochures;
19. Sales figures in the Philippines for the marks BAYER, BAYMIX, BAYCOX, BAYTRIL, BAYOVAC and BLATTANEX;
20. Print out of BAYER's official website and other websites offering Opposer's products; and,
21. Duly notarized and authenticated Special Power of Attorney.

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 12 December 2012. Respondent-Applicant however, did not file an answer. Thus, this instant case is submitted for decision.

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

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

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

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.** (Emphasis Ours)

The records and evidence show that at the time the Respondent-Applicant filed its trademark application on 21 June 2011, the Opposer has already existing registrations for its various trademarks: BAYER⁵, BAYER CROSS⁶, BAYTRIL⁷, BAYMIX⁸, BAYCOX⁹, and BLATTANEX¹⁰.

But, are the contending marks, particularly BLATTANEX of Opposer and BANATEX of Respondent-Applicant as depicted below, resemble each other such that confusion, even deception, is likely to occur?

BLATTANEX

Opposer's Trademark

BANATEX

Respondent-Applicant's Trademark

The foregoing marks show visual and aural similarities. The sound when pronounced is almost the same because of the similarity in the beginning letters "B" and "A"; and the ending letters "E" and "X". Moreover, the identical letters appeared to have been juggled only in different positions but its presence is evident, in sound and appearance.

A scrutiny of the Respondent-Applicant's trademark application shows further that the coverage of the mark BANATEX is similar and/or related to that of the Opposer. Without further and particular qualification, this product which covers "pesticides"¹¹ is similar and/or related to that intended to address or apply to Opposer's product BLATTANEX which is intended as preparations for killing weed and destroying vermin, insecticides.¹² Obviously, they serve the same purpose and cater to the same group of consumers in plantation industry and the like.

Confusion cannot 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.¹³ 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.¹⁴

⁵ Exhibits "A" and "B" of Opposer.

⁶ Exhibits "C", "D" and "E" of Opposer.

⁷ Exhibits "F" and "G" of Opposer.

⁸ Exhibits "H" and "I" of Opposer.

⁹ Exhibits "J" and "K" of Opposer.

¹⁰ Exhibits "M", "N" and "O" of Opposer.

¹¹ File wrapper records.

¹² Id at 10.

¹³ Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001, 356 SCRA 207, 217.

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

Succinctly, because the coverage of the Respondent-Applicant's trademark application would allow using the mark BANATEX on pesticides that are already dealt in by the Opposer using the mark BLATTANEX, the changes in spelling did not diminish the likelihood of the occurrence of mistake, confusion, or even deception. The contending marks have similar sounds which make it not easy for one to distinguish one mark from the other. Trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing. Thus, when one talks about the Opposer's trademark or conveys information thereon, what reverberates is the sound made in pronouncing it. The same sound, however, is practically replicated when one pronounces the Respondent-Applicant's mark. There is the likelihood therefore that information, assessment, perception or impression about BANATEX-marked products delivered and conveyed through words and sounds and received by the ears may unfairly cast upon or attributed to BLATTANEX-denominated products of the Opposer, and vice-versa.

Time and again, the court has taken into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity.¹⁵ Thus, in *Marvex Commercial Co., Inc. v. Petra Hawpia & Co., et al*¹⁶, the Court held:

The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, *Unfair Competition and Trade Marks*, 1947, Vol. 1, will reinforce our view that "SALONPAS" and "LIONPAS" are confusingly similar in sound: "Gold Dust" and "Gold Drop"; "Jantzen" and "Jass-Sea"; "Silver Flash" and "Supper Flash"; "Cascarete" and "Celborite"; "Celluloid" and "Cellonite"; "Chartreuses" and "Charseurs"; "Cutex" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and "Femetex"; "Zuso" and "Hoo Hoo". Leon Amdur, in his book "Trade-Mark Law and Practice", pp. 419-421, cities, as coming within the purview of the idem sonans rule, "Yusea" and "U-C-A", "Steinway Pianos" and "Steinberg Pianos", and "Seven-Up" and "Lemon-Up". In *Co Tiong vs. Director of Patents*, this Court unequivocally said that "Celdura" and "Cordura" are confusingly similar in sound; this Court held in *Sapolin vs. Balmaceda*, 67 Phil. 795 that the name "Lusolin" is an infringement of the trademark "Sapolin", as the sound of the two names is almost the same.

In the case at bar, "SALONPAS" and "LIONPAS", when spoken, sound very much alike. Similarity of sound is sufficient ground for this Court to rule that the two marks are confusingly similar when applied to merchandise of the same descriptive properties (see *Celanese Corporation of America vs. E.I. Du Pont*, 154 F. 2d. 146, 148)."

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.¹⁷ 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.¹⁸

Callman notes two types of confusion. The first is the confusion of goods in which even 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

¹⁵ *Prosource International Inc. v. Horphag Research Management S.A.*, G.R. No. 180073, 25 November 2009.

¹⁶ G.R. No. L-19297, 22 December 1966.

¹⁷ *American Wire and Cable Co. v. Director of Patents, et al.*, (31 SCRA 544) G.R. No. L-26557, 18 February 1970.

¹⁸ *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 January 1987.

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.

The Respondent-Applicant in the instant opposition was given the opportunity to explain its side and to defend its trademark application. However, it failed to do so. Accordingly, 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. 4-2011-007169 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 October 2014.


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