



OFFICE OF THE DIRECTOR GENERAL

NOVARTIS AG,

Appellant,

-versus-

ATTY. AMBROSIO V. PADILLA III,  
Appellee.

x-----x

APPEAL NO. 14-2014-0015

IPC No. 14-2012-00170

Opposition to:

Application No. 4-2011-014732

Date Filed: 12 December 2011

Trademark: PIOREX

NOTICE

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Documentation, Information  
and Technology Transfer Bureau  
Intellectual Property Office  
Taguig City

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DATE: OCT 17 2014  
BY:

**NATHANIEL S. AREVALO**

Director, Bureau of Legal Affairs  
Intellectual Property Office  
Taguig City

**GREETINGS:**

Please be informed that on 07 October 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 07 October 2014.

Very truly yours,

**ROBERT NEREO B. SAMSON**  
Attorney V



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NOVARTIS AG,

Opposer-Appellant,

-versus-

ATTY. AMBROSIO V. PADILLA III,

Respondent-Appellee.

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DECISION

NOVARTIS AG ("Appellant") appeals the decision<sup>1</sup> of the Director of Bureau of Legal Affairs ("Director") dismissing the Appellant's opposition to the registration of the mark "PIOREX".

On 12 December 2011, ATTY. AMBROSIO V. PADILLA III ("Appellee") filed Trademark Application No. 4-2011-014732 for PIOREX for use on goods namely, (*pharmaceutical product*) - *prescription drug of the class thiazolidinedione (tzd) with hypoglycemic (antihyperglycemic, antidiabetic) action*. The trademark application was published on 05 March 2012 in the Intellectual Property Office Electronics Gazette for Trademarks.

Subsequently, the Appellant filed a "VERIFIED NOTICE OF OPPOSITION" dated 11 May 2012 alleging that it will be damaged by the registration of PIOREX. The Appellant claimed that PIOREX is confusingly similar with its mark "ZIOHEX". The Appellant asserted that the Appellee's use and registration of PIOREX is contrary to the provisions of the Intellectual Property Code of the Philippines ("IP Code") and will diminish the distinctiveness and dilute the goodwill of ZIOHEX.

On 04 December 2012, the Bureau of Legal Affairs issued a notice to the Appellee requiring him to file his answer to the opposition within thirty (30) days from receipt of the notice. The Appellee did not file his answer and consequently, this case was deemed submitted for decision based on the opposition.<sup>2</sup>

In dismissing the opposition, the Director ruled that confusion and deception on the marks PIOREX and ZIOHEX are remote and that the products covered by these marks are easily differentiated. The Director held that PIOREX satisfied the function of a trademark.

<sup>1</sup> Decision No. 2014-14 dated 17 January 2014.

<sup>2</sup> Order No. 2013-1315 dated 04 September 2013.

Not satisfied with the decision, the Appellant filed on 20 February 2014 an "APPEAL MEMORANDUM" contending that PIOREX is confusingly similar to ZIOHEX and that the Bureau of Legal Affairs gravely erred in holding that PIOREX may be registered. The Appellant argues that ZIOHEX is a coined fancy word and highly distinctive and, hence, ZIOHEX should have been compared as a whole against PIOREX. The Appellant maintains that PIOREX and ZIOHEX have the same number of letters and syllables and that four (4) out of the six letters in the Appellee's mark are identical to its mark. Furthermore, according to the Appellant, because the letters, syllables and the sequence of the letters and syllables are practically the same, these marks look alike and phonetically, almost identical.

The Appellant contends that ZIOHEX and PIOREX cover similar, related and competing goods, and both marks are sold, marketed and/or found in the same channels of business and trade, namely pharmacies, clinics, hospitals, and/or doctor's offices, and therefore, confusion will be more likely to arise in the minds of the purchasing public. The Appellant asserts that as the earlier or senior registrant of ZIOHEX, it has superior and exclusive right over this mark and other marks confusingly similar thereto, to the exclusion of any third party. The Appellant avers that there is a boundless choice of words, phrases, and symbols available to a trademark and that the Appellee has no reasonable explanation in using PIOREX when the field for its selection is so broad. The Appellant maintains that the Appellee obviously intends to maliciously trade and is maliciously trading on its goodwill.

This Office issued on 02 April 2014 an Order giving the Appellee thirty (30) days from notice to submit his comment on the appeal. The Appellee did not file his comment and this case was deemed submitted for decision.

The issue in this appeal is whether the Director was correct in dismissing the Appellant's opposition to the registration of PIOREX.

Sec. 123.1(d) of the IP Code provides 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;

The Appellant is the owner of ZIOHEX which was registered on 11 August 2008 for *pharmaceutical, veterinary and sanitary preparations, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings, material for stopping teeth and dental wax*. Therefore, the relevant question in this case is whether the registration of PIOREX in the name of the Appellee is likely to deceive or cause confusion.

In trademark cases, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set of rules can be

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deduced. Each case is decided on its own merits.<sup>3</sup> As the likelihood of confusion of goods or business is a relative concept, to be determined only according to the particular, and sometimes peculiar, circumstances of each case,<sup>4</sup> the complexities attendant to an accurate assessment of likelihood of such confusion requires that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined.<sup>5</sup>

Below are the reproductions of the Appellant's and Appellee's marks:

**Ziohex**

*Appellant's mark*

**Piorex**

*Appellee's mark*

These marks are both word marks which differ in their first and fourth letters. However, these differences in the first and fourth letters are overshadowed by the similarity in sound and in other letters. As correctly pointed out by the Appellant:

5. A simple examination of appellant's mark ZIOHEX and appellee's mark PIOREX would readily reveal that the two marks are confusingly similar with each other.

- a. The marks have the same number of letters, i.e., six (6) and syllables, i.e., three (3).
- b. Out of six (6) letters in appellee's mark and appellant's mark, four (4) letters namely I, O, E, and X, are identical.
- c. The marks are composed of three (3) syllables each, i.e., PI-O-REX for appellee's mark and ZI-O-HEX for appellant's mark, wherein the syllables are practically alike due to the same vowels in each syllable.
- d. Likewise, because the letters, syllables and the sequence of the letters and syllables are practically the same, the marks "look" alike.
- e. Phonetically therefore, the marks are also almost identical.<sup>6</sup>

Accordingly, the similarity in the majority of the letters of PIOREX and ZIOHEX and in their pronunciation and sound, bar the registration of PIOREX. The registration of PIOREX in the name of the Appellee will likely create confusion especially because these marks are both used for pharmaceutical products. In one case, the Supreme Court of the Philippines held that similarity of sound is sufficient

<sup>3</sup> Emerald Garment Manufacturing Corporation v. Court of Appeals, 251 SCRA 600 (1995).

<sup>4</sup> Esso Standard Eastern, Inc. v. Court of Appeals, 116 SCRA 336 (1982).

<sup>5</sup> Societe Des Produits Nestle, S.A. v. Court of Appeals., G.R. No. 112012, 04 April 2001.

<sup>6</sup> APPEAL MEMORANDUM dated 20 February 2014, page 4.

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ground to rule that the two marks are confusingly similar when applied to merchandise of the same descriptive properties.<sup>7</sup>

The determinative factor in ascertaining whether or not marks are confusingly similar to each other is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. 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 new brand for it.<sup>8</sup>

In addition, the Appellee's failure to participate in this Inter-Partes proceedings (opposition proceedings) against PIOREX strengthens the Appellant's opposition to the registration of this mark. Up to this time, the Appellee has not yet given the explanation on how it arrived in using the mark PIOREX. ZIOHEX is a distinctive mark and for the Appellee to use a mark that is similar to this mark without any explanation gives doubt to the true intention of the Appellee in registering PIOREX. As PIOREX would also be used on pharmaceutical products, it is not farfetched that the Appellee knew of the Appellant's products which have been in the market earlier than the Appellee's products. In this regard, the statement by the Supreme Court in one case is instructive:

Of course, 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 appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.<sup>9</sup>

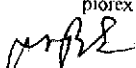
As the registered owner of ZIOHEX, the Appellant is entitled to the exclusive right to prevent other persons from using a trademark that resembles its mark as to be likely to deceive or cause confusion. The Appellee has "millions of terms and combinations of letters and designs available" for its use on its products. The Appellee's use of PIOREX without any explanation only shows the intention to take advantage of the goodwill generated by ZIOHEX.

The Appellant is, therefore, entitled to the protection of its registered trademark ZIOHEX against a likelihood of confusion that may be caused by PIOREX. The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same --- to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it

<sup>7</sup> Marvex Commercial Co. Inc. v. Petra Hawpia & Co., G.R. No. L-19297, 22 December 1966.

<sup>8</sup> Converse Rubber Corporation v. Universal Rubber Products, Inc., G. R. No. L-27906, 08 January 1987.

<sup>9</sup> American Wire & Cable Company v. Director of Patents, G. R. No. L-26557, 18 February 1970.




appears. Once this is attained, the trademark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.<sup>10</sup>

Wherefore, premises considered, the appeal is hereby granted. Let a copy of this Decision be furnished to the Director of Bureau of Legal Affairs and the Director of Bureau of Trademarks for their appropriate action and information. Further, let a copy of this Decision be furnished to the library of the Documentation, Information and Technology Transfer Bureau for records purposes.

SO ORDERED.

07 OCT 2014, Taguig City.

  
RICARDO R. BLANCAFLOR  
Director General

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<sup>10</sup> Societe Des Produits Nestle, S. A. v. Court of Appeals, G. R. No. 112012, 04 April 2001.

