



OFFICE OF THE DIRECTOR GENERAL

QUALIFIRST HEALTH, INC.,  
Opposer-Appellant,

-versus-

THE CATHAY YSS DISTRIBUTORS  
CO., INC.,  
Respondent-Appellee.

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Appeal No. 14-2013-0025

IPC No. 14-2012-00341

Opposition to:

Application No. 4-2012-000224

Date Filed: 06 January 2012

Trademark: METAZ

DECISION

QUALIFIRST HEALTH, INC. (“Appellant”) appeals the decision<sup>1</sup> of the Director of Bureau of Legal Affairs (“Director”) denying the Appellant’s opposition to the registration of the mark “METAZ”.

On 06 January 2012, THE CATHAY YSS DISTRIBUTORS CO., INC. (“Appellee”) filed Trademark Application No. 4-2012-000224 for METAZ for use on non-insulin treatment for diabetes. The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 25 June 2012. Consequently, the Appellant filed a “VERIFIED OPPOSITION” dated 25 July 2012 alleging that it will be extremely damaged and prejudiced by the registration of METAZ.

The Appellant maintained that it is engaged in the marketing and sale of pharmaceutical products and is the owner of the mark “CETAZ” which it has extensively used in commerce in the Philippines. The Appellant claimed that prior to the publication of the Appellee’s mark, it has registered CETAZ which so resembles METAZ. According to the Appellee, METAZ will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that this mark is applied for the same class of goods as CETAZ. The Appellant claimed that the registration of METAZ will violate the provisions of the Intellectual Property Code of the Philippines (“IP Code”) and that the Appellee’s use and registration of this mark will diminish the distinctiveness and dilute the goodwill of CETAZ. The Appellant asserted that as the lawful owner of CETAZ, it has the exclusive right to use and/or appropriate this mark and prevent all third parties not having its consent from using in the course of trade identical or similar marks, where such would result in a likelihood of confusion.

<sup>1</sup> Decision No. 2013-88 dated 24 May 2013.

The Bureau of Legal Affairs (“BLA”) issued on 06 August 2012 a notice to the Appellee requiring it to file a verified answer to the opposition. The Appellee did not file an answer and the case was deemed submitted for decision.

On 24 May 2013, the Director issued the decision denying the opposition and held that the distinction between the two marks makes them distinguishable from each other as to visual representation as well as to composition. According to the Director, the goods and/or products covered by CETAZ and METAZ are not the same and the illness to be treated by the use of the product is entirely distinct and different from each other. The Director stated that CETAZ can only be obtained on prescription by a physician, hence, chances of procuring one from the other is a remote possibility.

On 27 June 2013, the Appellant filed an “APPEAL MEMORANDUM [Re: Decision No. 2013-88 dated 24 May 2013]” contending that the ruling of the BLA that there is no confusing similarity between CETAZ and METAZ is contrary to law and settled jurisprudence. The Appellant argues that METAZ so resembles CETAZ that it will likely cause confusion, mistake, and deception on the part of the purchasing public especially considering that these marks are applied for the same class of pharmaceutical products. The Appellant maintains that METAZ appears and sounds almost the same as CETAZ that they leave the same commercial impression upon the public. The Appellant claims that even if the goods covered by these marks are different, there is likewise a likelihood of confusion as to the origin of the goods, and that it has the inherent right to protect its goodwill and business reputation symbolized by its trademark. The Appellant asserts that even if the goods involved in this case are prescription products, there is still a likelihood of confusion, which is detrimental not only to it but also to the consuming public and public safety.

The Appellee filed on 08 August 2013 a “COMMENT (ON OPPOSER-APPELLANT’S APPEAL MEMORANDUM DATED 27 JUNE 2013)” maintaining that the Director correctly ruled that there is no confusing similarity between METAZ and CETAZ. The Appellee claims that an examination of these marks reveals that they are visually, aurally, and phonetically distinguishable from one another such that a person dealing with the goods of either the Appellant and the Appellee will not likely be confused or misled into buying METAZ supposing it to be CETAZ and vice versa or that METAZ is a product of the Appellant. The Appellee argues that confusing similarity should be measured by how marks are actually used and appear in the market place given the fundamental principle in trademark law that trademarks are for the protection of the consumers who should be able to distinguish between trademarks in the market place.

On 13 August 2013, this case was referred to the IPOPHL Alternative Dispute Resolution (ADR) Services pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings. Subsequently, on 14 October 2013, this Office received a notice from the IPOPHL ADR Services that the parties failed to settle their dispute.

The main issue in this case is whether the Director was correct in denying the Appellant's opposition to the registration of METAZ in favor of the Appellee. Moreover, the relevant question in this appeal is whether METAZ is confusingly similar with CETAZ.

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 deduced. Each case is decided on its own merits.<sup>2</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>3</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>4</sup>

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

**Cetaz**

*Appellant's mark*

**METAZ**

*Appellee's mark*

A scrutiny of these marks shows that they are word marks which have similar last syllable but which can easily be distinguished because of their obvious differences. As correctly pointed out by the Director:

The competing marks are consisting of two syllables and their first syllables are entirely distinct and different from each other both in spelling and pronunciation. The Opposer's first syllables is "CE" and the Respondent-Applicant is "ME". Further, the Opposer's mark start with a capital letter "C" and all the other letters are written in small font. The Respondent-Applicant's mark on the other hand start with a capital letter "M" and all the other letters are likewise written in capital letter. This distinction makes the two marks distinguishable from each other as to visual presentation as well as to composition.<sup>5</sup>

In addition, the products covered by CETAZ and METAZ are pharmaceutical products which are not the everyday common goods or household items bought at a minimal cost. These products especially the medicines require a prospective buyer to be more aware and cautious in the purchase of the product. For instance, METAZ cover non-insulin treatment for diabetes which would certainly require a careful scrutiny by a prospective buyer. The purchasing public is the ordinary purchaser that

<sup>2</sup> Emerald Garment Manufacturing Corporation v. Court of Appeals, 251 SCRA 600 (1995).

<sup>3</sup> Esso Standard Eastern, Inc. v. Court of Appeals, 116 SCRA 336 (1982).

<sup>4</sup> Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001.

<sup>5</sup> Decision No. 2013-88 dated 24 May 2013.

is thought of, as having, and credited with, at least a modicum of intelligence.<sup>6</sup> It does not defy common sense to assert that a purchaser would be cognizant of the product he is buying.<sup>7</sup> As a general rule, an ordinary buyer does not exercise as much prudence in buying an article for which he pays a few centavos as he does in purchasing a more valuable thing. Expensive and valuable items are normally bought only after deliberate, comparative and analytical investigation.<sup>8</sup> Hence, a person who would buy the Appellant's or Appellee's products would do so not on the basis of the mistaken belief that the product is that of the Appellant's or Appellee's but because that is the product the person intends to buy.

In the related case of *Etepha, A. G. vs. Director of Patents and Westmont Pharmaceutical, Inc.*<sup>9</sup>, the Supreme Court of the Philippines held that:

6. In the solution of a trademark infringement problem, regard too should be given to the class of persons who buy the particular product and the circumstances ordinarily attendant to its acquisition. The medicinal preparations, clothed with the trademarks in question, are unlike articles of everyday use such as candies, ice cream, milk, soft drinks and the like which may be freely obtained by anyone, anytime, anywhere. Petitioner's and respondent's products are to be dispensed upon medical prescription. The respective labels say so. An intending buyer must have to go first to a licensed doctor of medicine: he receives instructions as to what to purchase; he reads the doctor's prescription; he knows what he is to buy. He is not of the incautious, unwary, unobservant or unsuspecting type; he examines the product sold to him; he checks to find out whether it conforms to the medical prescription. The common trade channel is the pharmacy or the drugstore. Similarly, the pharmacist or druggist verifies the medicine sold. The margin of error in the acquisition of one for the other is quite remote.

Significantly, the presence of the generic names in the product labels of the Appellant's and Appellee's goods negates the likelihood of confusion being claimed by the Appellant. The Appellee ably pointed out in its comment on the appeal that:

15. Moreover, in compliance with Republic Act No. 6675 or the Generics Law of 1988 ("**Generics Law**" for brevity) and the Department of Health Administrative Order No. 55 series of 1988, the label of METAZ clearly indicates that the Respondent-Appellee is the manufacturer, the product's generic name is **Metformin Hydrochloride Pioglitazone**, its pharmacologic category is **oral hypoglycemic (diabetes medication)** and the product is in **850 mg/15 mg film-coated tablet**. On the other hand, Opposer-Appellant's label shows that CETAZ is manufactured by Alkem Laboratories Ltd. and imported by Pharmasan, Inc., the product's generic name is **Metrodinazole**, its pharmacologic category is **Antiprotozoal** and it is a **liquid solution for injection**. It is also noteworthy that on both labels, the generic names of the pharmaceutical products appear immediately above their respective brand names, they have the highest point size among the various printed elements on the labels and are enclosed exclusively by outline boxes.

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<sup>6</sup> *Fruit of the Loom, Inc. v. Court of Appeals and General Garments Corporation*, G.R. No. L-32747, 29 November 1984.

<sup>7</sup> *Acoje Mining Co., Inc. v. Director of Patents*, 38 SCRA 480 (1971).

<sup>8</sup> *Del Monte Corporation v. Court of Appeals*, G.R. No. 78325, 25 January 1990.

<sup>9</sup> G. R. No. L-20635, 31 March 1966.

16. Clearly, the different product information conveyed and the manner they are displayed on the respective labels of the pharmaceutical products negate any possibility that physicians, pharmacists, and ordinary purchasers will confuse METAZ as CETAZ.


17. Further, this Honorable Office is not unmindful of the common practice in the drug and pharmaceutical industries to fabricate marks using the syllables or words indicative of the generic names of the active ingredients of the pharmaceutical products or the ailments for which the pharmaceutical products are used. Hence, it cannot be said that Respondent-Appellee's intention is to confuse or deceive the public when it adopted the mark "METAZ", a term coined from the generic terminologies Metformin and Pioglitazone, the active ingredients of METAZ.<sup>10</sup>

Accordingly, under the circumstances of this case, the Appellee's use and registration of METAZ will not likely cause confusion or deception.

Wherefore, premises considered, the appeal is hereby dismissed. 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.

NOV 26 2014 , Taguig City.

  
RICARDO R. BLANCAFLOR  
Director General

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<sup>10</sup> COMMENT (ON OPPOSER-APPELLANT'S APPEAL MEMORANDUM DATED 27 JUNE 2013) dated 08 August 2013, pages 7-8.