UNITED AMERICAN PHARMACEUTICALS, INC., Opposer, **-versus-** **ZUNECA INCORPORATED,** Respondent- Applicant.	} } } } } } } } } }	**IPC No. 14-2014-00062** Opposition to: Appln. Serial No. 4-2013-00006542 Date Filed: 06 June 2013 **TM: "ZESPRAL"**

x---x

NOTICE OF DECISION

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

ZUNECA INCORPORATED
Respondent-Applicant
86 K-6th Street, East Kamias
Quezon City

GREETINGS:

Please be informed that Decision No. 2014 - 230 dated September 24, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 24, 2014.

For the Director:

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

UNITED AMERICAN PHARMACEUTICALS, INC., Opposer,	}	**IPC No. 14-2014-00062** Opposition to:
- versus -	}	Application No. 4-2013-00006542 Date Filed: 06 June 2013
ZUNECA INCORPORATED, Respondent-Applicant.	}	Trademark: **ZESPRAL**
x---x		Decision No. 2014 - 230

DECISION

UNITED AMERICAN PHARMACEUTICALS, INC.[1] ("Opposer") filed on 12 February 2014 a Verified Notice of Opposition to Trademark Application No. 4-2013-006542. The contested application, filed by ZUNECA INCORPORATED[2] ("Respondent-Applicant"), covers the mark ZESPRAL for use on *"pharmaceutical products for proton inhibitor and lower gastric acid production"* under Class 05 of the International Classification of goods[3].

The Opposer anchors its opposition on Section 123.1 (d) of Republic Act No. 8293 or the Intellectual Property Code of the Philippines ("IP Code"). The Opposer alleges that the mark ZESPRAL applied for by the Respondent-Applicant resembles its registered trademark ZEFRAL as to be likely to cause confusion, mistake and deception on the part of the purchasing public.

In support of its Opposition, the Opposer alleges the following facts:

> "11. Opposer is the registered owner of the trademark ZEFRAL. It is engaged in the marketing and sale of a wide range of pharmaceutical products.
>
> > "11.1. The trademark application for the trademark ZEFRAL was filed with the IPO on 16 September 1998 by Therapharma, Inc.
> >
> > "11.2. In the meantime, on 27 July 2000, Therapharma, Inc. assigned the Trademark Application for the mark ZEFRAL to herein Opposer. x x x
> >
> > "11.3. Thereafter, the application for the trademark ZEFRAL was approved for registration on 8 July 2004 to be valid for a period of ten (10) years, or until 8 July 2014.
> >
> > "11.4. Subsequently, on 23 September 2004, Opposer assigned fifty percent (50%) of its rights, title and interests over the trademark ZEFRAL to Fujisawa Pharmaceuticals Co., Ltd.

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1 A domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 132 Pioneer St., Mandaluyong City, Metro Manila, Philippines.

2 Appears to be a domestic corporation, with office address at 86 K-6th Street, East Kamias, Quezon 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.

("Fujisawa") (now known as Astellas Pharma Inc.) x x x

"11.5. Thus, the registration of the trademark ZEFRAL subsists and remains valid to date.

"12. The trademark ZEFRAL has been extensively used in commerce in the Philippines. x x x

"13. By virtue of the foregoing, there is no doubt that Opposer has acquired an exclusive ownership over the trademark ZEFRAL to the exclusion of all others. x x x

"15. The registration of Respondent-Applicant's mark ZESPRAL will be contrary to Section 123.1 (d) of the IP Code. ZESPRAL is confusingly similar to Opposer's trademark ZEFRAL. x x x

"16. To allow Respondent-Applicant to market its products bearing the mark ZESPRAL undermines Opposer's right to its trademark ZEFRAL. As the lawful owner of the trademark ZEFRAL, Opposer is entitled to prevent the Respondent-Applicant from using a confusingly similar mark in the course of trade where such would likely mislead the public. x x x

"17. The registration and use of Respondent-Applicant's confusingly similar mark ZESPRAL on its goods will enable the latter to obtain benefit from Opposer's reputation and goodwill, and will tend to deceive and/or confuse the public into believing that Respondent-Applicant is in any way connected with the Opposer. x x x

"19. Respondent-Applicant's use of the mark ZESPRAL in relation to any of the goods covered by the opposed application, if these goods are considered not similar or closely related to the goods covered by Opposer's trademark ZEFRAL, will undermine the distinctive character or reputation of the latter trademark. Potential damage to Opposer will be caused as a result of its inability to control the quality of the products put on the market by Respondent-Applicant under the mark ZESPRAL.

"20. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent-Applicant of the mark ZESPRAL. The denial of the application subject of this opposition is authorized under the IP Code. x x x"

The Opposer's evidence consists of the following:

1. Copy of the pertinent page of the IPO e-Gazette bearing publication date of 13 January 2014;
2. Certified true copy of the Assignment of Application for Registration of Trademark dated 15 September 2000;
3. Certified true copy of the Certificate of Registration No. 4-1998-007060 for the trademark ZEFRAL;
4. Certified true copy of the Certificate of Product Registration No. DR-XY19363 for ZEFRAL;

5. Sample product label bearing the trademark ZEFRAL; and
6. Certification and sales performance issued by the Intercontinental Marketing Services (IMS).[4]

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 05 March 2014. The Respondent-Applicant, however, did not file its Verified Answer. Thus, this Bureau issued Order No. 2014-682 dated 28 May 2014 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 ZESPRAL?

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.[5] Thus, Section 123.1 (d) of R. A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") 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) <u>if it nearly resembles such a mark as to be likely to deceive or cause confusion</u>; x x x [Underscoring supplied]

In this regard, the records and evidence show that at the time the Respondent-Applicant filed its trademark application on 06 June 2013, the Opposer's assignee ASTELLAS PHARMA, INC. has already been issued a Certificate of Registration (No. 4-1998-007060) on 08 July 2004 for the trademark ZEFRAL.

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

Zefral	ZESPRAL
Opposer's Mark	Respondent-Applicant's Mark

4 Marked as Exhibits "A" to "F".
5 See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

Visually and aurally the marks are confusingly similar. They both have two syllables. The first two letters "ZE" and the last three letters "RAL" in the Respondent-Applicant's are the same as that of the Opposer's. The addition of the middle letter "S" and the change of the letter "F" to "P" in the Respondent-Applicant's is inconsequential to retract the finding of confusion in the marks. Indeed, 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.[6]

Because of the similarity in the syllables and in the arrangement of the letters common in both marks, they produced the same sound effect when pronounced. Granting that Respondent-Applicant's first syllable is pronounced as /ZES/ as compared with the Opposer's /ZE/, the sound of the letter "S" is hardly distinguishable when uttered together with the last syllable /PRAL/. Also, while the last syllable /FRAL/ in the Opposer's mark starts with the letter "F" and that of the Respondent-Applicant's /PRAL/ with the letter "P" makes no distinctive effect in the aural sense. 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.[7] Thus, in *Marvex Commercial Co., Inc. v. Petra Hawpia & Co., et al*[8]., 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"; "Chartreuse" 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 Co. 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)."

Succinctly, because the Opposer's and Respondent-Applicant's marks both deal with pharmaceutical products, the slight difference in the spelling therefore did not diminish the likelihood of the occurrence of mistake, confusion or even deception. As trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing, when one talks about the Opposer's trademark or conveys information thereon, what reverberates is the sound made in pronouncing it. The

6 *Societe Des Produits Nestle S. A. v. Court of Appeals,* G. R. No. 112012, April 4, 2001.
7 *Prosource International Inc. v. Horphag Research Management S. A.*, G. R. No. 180073, 25 November 2009.
8 G. R. No. L-19297, 22 December 1966.

same sound is practically replicated when one pronounces the Respondent-Applicant's mark.

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.[9] 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:[10]

> 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.

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. 4-2013-00006542 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 24 September 2014.

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

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

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