



**OFFICE OF THE DIRECTOR GENERAL**

**UNITED LABORATORIES, INC.,**  
Opposer-Appellant,

-versus-

**MEDHAUS PHARMA, INC.,**  
Respondent-Appellee.

X-----X

**APPEAL NO. 14-2012-0019**  
**IPC No. 14-2009-00238**  
**Opposition to:**  
**Application No. 4-2007-010244**  
**Date Filed: 17 September 2007**

**Trademark: ENERVIT**

**NOTICE**

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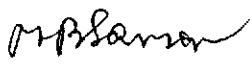
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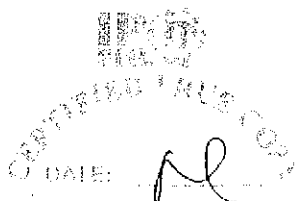
**GREETINGS:**

Please be informed that on 15 September 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 16 September 2014.

Very truly yours,

  
**ROBERT NEREO B. SAMSON**  
Attorney V

  
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**ROBERT NEREO B. SAMSON**  
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Office of the Director General



OFFICE OF THE DIRECTOR GENERAL

UNITED LABORATORIES, INC.,  
Opposer-Appellant,

-versus-

MEDHAUS PHARMA, INC.,  
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Appeal No. 14-2012-0019

Inter Partes Case No. 14-2009-00238

Opposition to:

Application No. 4-2007-010244

Date Filed: 17 September 2007

Trademark: ENERVIT

X-----X

DECISION

UNITED LABORATORIES, INC. ("Appellant") appeals the decision<sup>1</sup> of the Director of the Bureau of Legal Affairs ("Director") denying the Appellant's opposition to the registration of the mark "ENERVIT".

Records show that MEDHAUS PHARMA, INC. ("Appellee") filed on 17 September 2007 Trademark Application No. 4-2007-010244 for ENERVIT for use on vitamins. The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 13 July 2009. On 12 October 2009, the Appellant filed a "VERIFIED OPPOSITION" claiming that it will be extremely damaged and prejudiced by the registration of ENERVIT and alleged the following:

1. It is engaged in the marketing and sale of a wide range of pharmaceutical products and is the registered owner of the mark "ENERVON"; the registration of ENERVON subsists and remains valid;
2. ENERVON has been extensively used in commerce in the Philippines and no less than the Intercontinental Marketing Services (IMS), the world's leading provider of business intelligence and strategic consulting services for the pharmaceutical and healthcare industries with operations in more than 100 countries, acknowledged and listed ENERVON as the leading brand in the Philippines in the category of "Vitamin B Complex" in terms of market share and sales performance;
3. In order to legally market, distribute and sell pharmaceutical preparations in the Philippines, it registered its products with the

Decision No. 2012-48 dated 02 March 2012.

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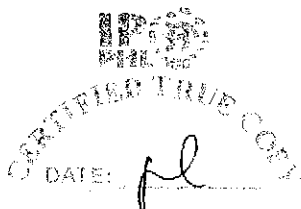
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Bureau of Food and Drugs (BFAD); the BFAD issued a certificate of product registration for ENERVON;

4. It has acquired exclusive ownership over ENERVON to the exclusion of others;
5. ENERVIT is confusingly similar to ENERVON; ENERVIT so resembles ENERVON that it will likely cause confusion, mistake and deception on the part of the purchasing public; the Appellee adopted the dominant features of ENERVON;
6. ENERVON and ENERVIT are practically identical marks in sound and appearance that they leave the same commercial impression upon the public; ENERVIT is applied to the same class of goods as that of ENERVON, i.e. vitamin preparation;
7. As the lawful owner of ENERVON, it is entitled to prevent the Appellee from using a confusingly similar mark in the course of trade where such would likely mislead the public; it has the right to prevent third parties from claiming ownership over its marks or any depiction similar thereto, without its authority or consent;
8. To allow the Appellee to use ENERVIT, would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the ENERVIT products of the Appellee originate from or is being manufactured by the Appellant, or at the very least, is connected or associated with ENERVON, when such connection does not exist;
9. Between the newcomer, Appellee, which by the confusion loses nothing and gains patronage unjustly by the association of its products bearing ENERVIT with the well-known ENERVON, and the Appellant who is the first user and actual owner of ENERVON, any doubt should be resolved against the Appellee, who as the latter entrant in the market had a vast range of marks to choose from to distinguish its products from those existing in the market; and
10. ENERVON is well-known and has established valuable goodwill to the consumers and the general public and the Appellee's use and registration of ENERVIT will diminish the distinctiveness and dilute the goodwill of ENERVON.

The Appellant submitted the following evidence to support the opposition:



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1. Printout of the trademarks published for opposition on 13 July 2009;<sup>2</sup>
2. Cert. of Reg. No. 14854 for ENERVON-C;<sup>3</sup>
3. Assignment of Registered Trademark executed on 21 September 2005;<sup>4</sup>
4. Assignment of Registered Trademark filed on 26 March 2009;<sup>5</sup>
5. Affidavits of use;<sup>6</sup>
6. Product label for ENERVON-C;<sup>7</sup>
7. Certification dated 08 October 2008;<sup>8</sup> and
8. Certificate of Product Registration for ENERVON-C PLUS SYRUP.<sup>9</sup>

The Bureau of Legal Affairs issued a "NOTICE TO ANSWER" dated 27 October 2009 directing the Appellee to file its answer to the opposition within thirty (30) days from receipt of the notice. The Appellee, however, did not file an answer and the case was submitted for decision.

On 02 March 2012, the Director issued the assailed decision holding that there is a distinction between the Appellant's and the Appellee's marks as to sound and appearance such that confusion or deception is unlikely to occur. According to the Director, there is a remote possibility for a consumer to assume or conclude that there is a connection between the parties solely because both marks start with the syllable "ENER" which is merely suggestive of the word energy. The Director held that ENERVIT satisfied the function of a trademark.

Hence, this appeal.

The Appellant argues that the Director gravely erred in ruling that there is no confusing similarity between ENERVIT and ENERVON. The Appellant maintains that there is confusing similarity between these marks both visually and aurally. The Appellant avers that ENERVIT so resembles ENERVON that it will likely cause confusion and deception on the part of the purchasing public. The Appellant asserts that aside from confusion of goods, there is also confusion of business which would warrant the denial of the Appellee's application for the registration of ENERVIT. The Appellant contends that as the registered owner of ENERVON, it has the exclusive right to use and/or appropriate this mark and prevent the Appellee and all third parties not having its consent from using in the course of trade identical or similar marks, where such result in a likelihood of confusion.

<sup>2</sup> Annex "A".

<sup>3</sup> Annex "B".

<sup>4</sup> Annex "C".

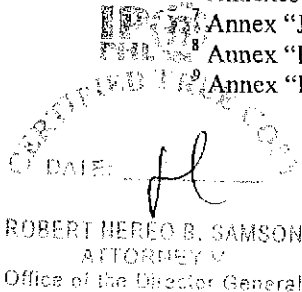
<sup>5</sup> Annex "D".

<sup>6</sup> Annexes "E" to "I".

<sup>7</sup> Annex "J".

<sup>8</sup> Annex "K".

<sup>9</sup> Annex "L".


  
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This Office issued on 28 May 2012 an Order giving the Appellee thirty (30) days from receipt of the Order to submit comment on the appeal. The Appellee did not file its comment and the case was deemed submitted for decision.<sup>10</sup>

The issue in this appeal is whether the Director was correct in denying the Appellant's opposition to the registration of ENERVIT in the name of the Appellee.

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 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.<sup>11</sup>

Thus, Sec. 123.1(d) of the Intellectual Property Code of the Philippines ("IP Code") states 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;

In this case, the Appellant is the owner of the mark ENERVON-C which was registered as early as 1969 covering the goods related to vitamins. The Appellant, therefore, has the exclusive right to use this mark on vitamin products and is entitled to prevent the Appellee from using a mark which would likely deceive or cause confusion.

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>12</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>13</sup>

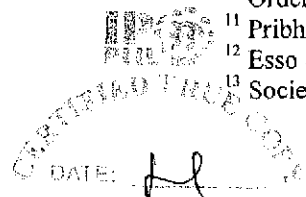
Below are the illustrations of the Appellant's and Appellee's marks:

<sup>10</sup> Order dated 22 August 2012.

<sup>11</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

<sup>12</sup> Esso Standard Eastern, Inc. vs. Court of Appeals, 116 SCRA 336 (1982).

<sup>13</sup> Societe Des Produits Nestle, S.A. v. Court of Appeals, G.R. No. 112012, 04 April 2001.

  
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**ENERVON-C**

**ENERVIT**

*Appellant's mark*

*Appellee's mark*

The similarity of these marks are shown by the same first five letters namely "E", "N", "E", "R", and "V". In this regard, it is not farfetched that one may consider the Appellee's mark as just a variation of the Appellant's mark that has been registered as early as 1969. Because these marks are both used on vitamin products, the purchasing public may associate the owner of ENERVIT as the same owner of the mark ENERVON-C. In the absence of any control by the Appellant's over the Appellee's products, its reputation may be affected if the ENERVIT products would not have the same quality standards as those by the ENERVON-C products. Accordingly, the Appellant may be damaged by the registration and continued use by the Appellee of ENERVIT on vitamin products. The Director was, therefore, in error in not giving due course to the opposition of the Appellant.

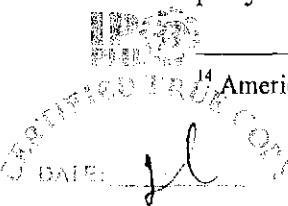
Moreover, the Appellant and the Appellee are members of the pharmaceutical industry and it is not unlikely that the Appellee knew of the Appellant's products which have been in the market earlier than the Appellee's products. In this regard, the statement by the Supreme Court in one case is instructive:

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>14</sup>

The trademark ENERVON was created by the Appellant to distinguish its products. It is a distinctive mark and it would be a very remote possibility that two (2) parties would accidentally adopt the same features of a distinctive mark. This Office is not unmindful that "ENER" suggests reference to "energy". Nonetheless, when the Appellant filed its opposition to the registration of ENERVIT, the Appellee should have explained why it is adopting "ENER" as part of its mark. The Appellee, however, did not even bother to file an answer to the Appellant's opposition.

The allowance for publication of a trademark is only a presumption that the trademark application is compliant with the provisions of the IP Code. When a third party adduced contrary evidence, including evidence that it would be damaged by the

<sup>14</sup> American Wire & Cable Company v. Director of Patents, G. R. No. L-26557, 18 February 1970.

  
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registration of such trademark, the applicant must present substantial evidence to the contrary. Otherwise, the presumption is deemed overcome.

As the registered owner of the trademark ENERVON-C, the Appellant is entitled to the exclusive right to use it and to prevent other persons from using a trademark that resembles this mark as to be likely to deceive or cause confusion. Being a business competitor, the Appellee's introduction of similar products bearing the confusingly similar mark ENERVIT would cause a likelihood of confusion to the buying public.

In a contest involving registration of trademarks, the determinative factor 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. Under Section 123.1 (d) of the IP Code, in the determination of confusing similarity a likelihood of confusion is the only requirement.

In this instance, it must be emphasized that the Appellant's products are similar with the Appellee's as it involves vitamins. To allow the registration of the trademark ENERVIT would likely mislead the public to believe that the manufacturer of the products bearing this mark is the same manufacturer of the products bearing the mark ENERVON. The public may be mistaken that one is just a variation of the other which both came from the same manufacturer resulting to the damage of the Appellant who is the originator of the mark ENERVON. The risk of damage is not limited to a possible confusion of goods but also includes confusion of reputation if the public could reasonably assume that the goods of the parties originated from the same source.<sup>15</sup> This is precisely, the reason why trademarks are very important and that before a trademark is allowed registration, it must be shown to be distinct and should be proven that there would not be a likelihood of confusion to the purchasing public.

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. The trademark registration system should not be used to perpetuate any acts that would undermine the intellectual property system. A person must not be allowed to get a free ride on the reputation and selling power of the products of another, for a self-respecting person or a reputable business concern does not remain in the shelter of another's popularity and goodwill.<sup>16</sup>

WHEREFORE, premises considered, the instant appeal is hereby GRANTED.

<sup>15</sup> Converse Rubber Corporation vs. Universal Rubber Products, Inc., G. R. No. L-27906, 08 January 1987.

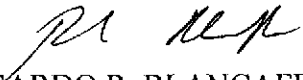
<sup>16</sup> Philippine Nut Industry, Inc. vs. Standard Brands Incorporated, G. R. No. L-23035, 31 July 1975.



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ATTORNEY ✓  
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Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.

15 SEP 2014 Taguig City

  
RICARDO R. BLANCAFLOR  
Director General

  
DATE:   
ROBERT NEREO B. SAMSON  
ATTORNEY V  
Office of the Director General