



OFFICE OF THE DIRECTOR GENERAL

UNITED LABORATORIES, INC.,
Opposer-Appellant,

APPEAL NO. 14-2011-0001
IPC No. 14-2010-00327
Opposition to the Trademark
Application No. 4-2010-006328

-versus-

SEL.J. PHARMA CORPORATION,
Respondent-Appellee.

Date Filed: 15 June 2010
Trademarks: ENERSEL

x-----x

NOTICE

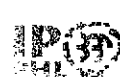
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GREETINGS:

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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Office of the Director General



OFFICE OF THE DIRECTOR GENERAL

UNITED LABORATORIES, INC.,
Opposer-Appellant,

-versus-

SEL-J PHARMA CORPORATION,
Respondent-Appellee.

X-----X

Appeal No. 14-2012-0001

IPC No. 14-2010-00327

Opposition to:

Application No. 4-2010-006328

Date Filed: 15 June 2010

Trademark: ENERSEL

DECISION

UNITED LABORATORIES, INC. ("Appellant") appeals the decision¹ of the Director of the Bureau of Legal Affairs ("Director") dismissing the Appellant's opposition to the registration of the mark "ENERSEL".

Records show that on 15 June 2010, SEL-J PHARMA CORPORATION ("Appellee") filed an application to register ENERSEL for use on multivitamins. The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 04 October 2010. Subsequently, on 22 December 2010, the Appellant filed a "VERIFIED OPPOSITION" claiming that it will be extremely damaged and prejudiced by the registration of the Appellee's trademark. The Appellant alleged that:

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 products with the

¹ Decision No. 2012-12 dated 16 January 2012.

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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. ENERSEL is confusingly similar to ENERVON; ENERSEL so resembles ENERVON that it will likely cause confusion, mistake and deception on the part of the purchasing public;
6. ENERVON and ENERSEL are practically identical marks in sound and appearance that they leave the same commercial impression upon the public; ENERSEL is applied to the same class of goods for vitamins as that of ENERVON;
7. The Appellee still filed the trademark application for ENERSEL despite its knowledge of the existing trademark registration for ENERVON, which is confusingly similar in both sound and appearance;
8. 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;
9. By virtue of its prior and continued use, ENERVON has become well-known and has established valuable goodwill to the consumers and the general public; the Appellee's use of ENERSEL will enable the Appellee to obtain benefit from the Appellant's reputation and goodwill and will tend to deceive and/or confuse the public into believing that the Appellee is in any way connected with the Appellant; the Appellee's use of ENERSEL will take unfair advantage of, dilute and diminish the distinctive character or reputation of ENERVON; and
10. Potential damage to the Appellant will be caused as a result of its inability to control the quality of the products put on the market by the Appellee.

The Appellee filed an "ANSWER" dated 10 May 2011 denying the material allegations of the Appellant and maintained that its mark is not confusingly similar with ENERVON. The Appellee claimed that the active ingredients of ENERSEL are different from those of ENERVON that the buyers will not be confused. The Appellee maintained that their products have clearly different packaging. The Appellee asserted that the letters "S", "E", and "L" are the first three letters of its



name while the letters "E", "N", "E", and "R" came from the word "ENERGY" that is generic and not susceptible of appropriation by any person

After the appropriate proceedings, the Director ruled that ENERSEL is consistent with the function of the trademark. He held that the last syllable of ENERSEL distinguished it from ENERVON and that product confusion, mistake, or deception is unlikely to occur. According to the Director, "ENER" is obviously derived from the word "energy".

Not satisfied with the findings of the Director, the Appellant filed on 10 February 2012 an "APPEAL MEMORANDUM [Re: Decision No. 2012-12 dated 16 January 2012]" alleging the following assignment of error:

"V. ASSIGNMENT OF ERROR

THE RULING OF THE HONORABLE BUREAU OF LEGAL AFFAIRS IN THE QUESTIONED DECISION THAT THERE IS NO CONFUSING SIMILARITY BETWEEN THE OPPOSER-APPELLANT'S TRADEMARK "ENERVON-C" AND RESPONDENT-APPELLEE'S MARK "ENERSEL" IS CONTRARY TO LAW AND SETTLED JURISPRUDENCE."

The Appellant reiterates its position that ENERSEL is confusingly similar with ENERVON-C and argues that by applying the "dominancy test", ENERSEL so resembles the dominant word ENERVON that it will likely cause confusion, mistake, and deception on the part of the purchasing public. The Appellant contends that the registration and use by the Appellee of ENERSEL will enable the Appellee to obtain benefit from the Appellant's reputation and goodwill and will tend to deceive and/or confuse the public into believing that the Appellee is in any way connected with the Appellant.

On 13 March 2012, the Appellee filed a "MEMORANDUM FOR THE RESPONDENT" which this Office treated as the Appellee's comment on the appeal. The Appellee reiterates its position of lack of confusing similarity and maintains that buyers of medicinal products are more wary in the purchase of their medicines and practically are familiar with what they intend to buy.

The issue in this appeal is whether the Director was correct in dismissing the Appellant's opposition to the registration of ENERSEL in favor of the Appellee. Moreover, the relevant question in this case is whether the Appellant would be damaged by the registration of ENERSEL.

Sec. 134 of the Intellectual Property Code of the Philippines ("IP Code") provides in part that:

SEC. 134. Opposition.- Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty


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(30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application.x x x

The appeal is meritorious.

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.²

Thus, Sec. 123.1(d) of the 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.

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.³ 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,⁴ 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.⁵

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

² Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

³ Emerald Garment Manufacturing Corporation vs. Court of Appeals, 251 SCRA 600 (1995).

⁴ Esso Standard Eastern, Inc. vs. CA. 116 SCRA 336 (1982).

⁵ Societe Des Produits Nestle, S.A., et al vs. CA, et. al., G.R. No. 112012, 04 April 2001.



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ENERVON-C

ENERSEL

Appellant's mark

Appellee's mark

At a glance, one can see the similarity of these marks which are both word marks and have identical first four letters "E", "N", "E", and "R". In addition, the way these marks are presented and used for the same class of goods referring to vitamins would give the impression that they are owned by the same person. In other words, because of the similarity of these marks, 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.

In the case of *Del Monte Corporation vs. Court of Appeals*,⁶ the Supreme Court of the Philippines stated that:

It has also been held that it is not the function of the court in cases of infringement and unfair competition to educate purchasers but rather to take their carelessness for granted, and to be ever conscious of the fact that marks need not be identical. A confusing similarity will justify the intervention of equity. The judge must also be aware of the fact that usually a defendant in cases of infringement does not normally copy but makes only colorable changes. Well has it been said that the most successful form of copying is to employ enough points of similarity to confuse the public with enough points of difference to confuse the courts.

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.⁷

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 of the argument that "ENER" suggests reference to "energy". The Appellee, however, failed to successfully explain why it is not adopting the word "energy" but instead is using "ENER" as part of its mark. The absence of explanation

⁶ G. R. No. L-78325, 25 January 1990.

⁷ American Wire & Cable Company vs. Director of Patents, G. R. No. L-26557, 18 February 1970.



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only means that it is riding on the goodwill that ENERVON has created through the years.

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 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 ENERSEL 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 ENERSEL 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.⁸ 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

⁸ Converse Rubber Corporation vs. Universal Rubber Products, Inc., G. R. No. L-27906, 08 January 1987.


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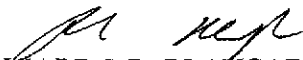
power of the products of another, for a self-respecting person or a reputable business concern does not remain in the shelter of another's popularity and goodwill.⁹

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


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

⁹ Philippine Nut Industry, Inc. vs. Standard Brands Incorporated, G. R. No. L-23035, 31 July 1975.


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