



UNITED AMERICAN PHARMACEUTICALS, INC., }  
Opposer, }

-versus-

FEDERATED DISTRIBUTORS, INC., }  
Respondent-Applicant. }

X-----X

IPC No. 14-2011-00250  
Opposition to:  
Appln No. 4-2010-013451  
Date filed: 10 December 2010  
TM: "ENER C"

### NOTICE OF DECISION

**OCHAVE & ESCALONA**  
Counsel for the Opposer  
66 United Street, Mandaluyong City  
Metro Manila

**BENEDICTA AGASID**  
For Respondent-Applicant  
KLG Building  
Delbros Avenue cor. V. De Leon St.  
Bo. Ibayo, Paranaque City

#### GREETINGS:

Please be informed that Decision No. 2014 - 307 dated November 06, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, November 06, 2014.

For the Director:

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



UNITED LABORATORIES, INC.,  
*Opposer,*  
 -versus-  
 FEDERATED DISTRIBUTORS, INC.,  
*Respondent-Applicant.*

x-----x

IPC No. 14-2011-00250  
 Case Filed: 01 July 2011  
 Opposition to:  
 Application No. 4-2010-013451  
 Date Filed: 10 December 2010  
 Trademark: "ENER-C"

Decision No. 2014- 307

**DECISION**

UNITED LABORATORIES, INC.<sup>1</sup> ("Opposer") filed an opposition to Trademark Application Serial No. 4-2010-013451. The application, filed by Federated Distributors, Inc.<sup>2</sup> ("Respondent-Applicant"), covers the mark "ENER-C" for use as "a dietary supplement drinks in the nature of vitamins and mineral beverages; vitamins and mineral supplements; vitamin C preparation" under Class 05 of the International Classification of Goods and Services.<sup>3</sup>

The Opposer alleges:

x x x

"GROUNDS FOR OPPOSITION

"The grounds for this opposition are as follows:

"1. The trademark 'ENER-C' so resembles the trademark 'ENERVON-C' owned by Opposer. The trademark 'ENER-C', which is owned by Respondent, will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed trademark 'ENER-C' is also applied for the same class of goods as that of trademark 'ENERVON-C', i.e. Class (5), used on vitamins.

"2. The registration of the trademark 'ENER-C' in the name of the Respondent will violate Sec. 123 of Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines", which provides, in part, that a mark cannot be registered if it:

x x x

"Under the above-quoted provision, any mark which is similar to a registered mark shall be denied registration in respect of similar or related goods or if the mark

<sup>1</sup>A corporation duly organized and existing under the laws of the Philippines with principal office located at No. 66 United St., Mandaluyong City, Philippines.

<sup>2</sup>With address at FDIBldg., Queensway Avenue cor. V. de Leon St., Bo. Ibayo, Paranaque City, Philippines.

<sup>3</sup>The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The 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.

applied for nearly resembles a registered mark that confusion or deception in the mind of the purchasers will likely result.

"3. Respondent's use and registration of the trademark 'ENER-C' will diminish the distinctiveness and dilute the goodwill of Opposer's trademark 'ENERVON-C'.

"ALLEGATIONS IN SUPPORT OF THE OPPOSITION

"In support of this Opposition, Opposer will rely upon and prove the following facts:

"4. Opposer, the registered owner of the trademark 'ENERVON-C', is engaged in the marketing and sale of a wide range of pharmaceutical products. The Trademark Application for the trademark 'EVERVON-C' was filed with the Philippine Patent Office on 15 September 1967 by United American Pharmaceuticals, Inc. ('UAP') and was approved for registration 16 June 1969 and valid for a period of twenty (20) years. Before the expiration of the registration, UAP filed an application for renewal which was accordingly granted on 16 June 1989 and valid for another period of 20 years or until 16 June 2009. A copy of the Certificate of Registration for the trademark 'ENERVON-C' is hereto attached as Annex 'B'. On 21 September 2005 UAP assigned the trademark 'ENERVON-C' to its sister company, Unam Brands (BVI) Ltd. ('UNAM'). A copy of the deed of assignment is hereto attached as Annex 'C'. On 23 February 2009, UNAM assigned ownership of the mark 'ENERVON-C' to herein Opposer, UNITED LABORATORIES, INC. ('UNILAB'). The Deed of Assignment was accordingly filed with this Honorable Office on 26 March 2009; Attached herewith is a copy of the Assignment marked as Annex 'D'.

"5. The trademark 'ENERVON' has been extensively used in commerce in the Philippines.

"5.1 Opposer dutifully filed Affidavits of Use pursuant to the requirement of law, to maintain the registration of 'ENERVON-C' in force and effect. Copies of the Affidavits of Use filed are hereto attached as Annexes 'E', 'F', 'G', 'H' and 'I'.

"5.2 A sample product label bearing the trademark 'ENERVON-C' actually used in commerce is hereto attached as Annex "J".

"5.3 In order to legally market, distribute and sell these pharmaceutical preparations in the Philippines, Opposer registered the products with the Food and Drugs Administration (formerly BFAD). A copy of the Certificate of Product Registration issued by the BFAD for the mark "ENERVON-C' is hereto attached as Annex 'K'.

"6. There is no doubt that by virtue of the above-mentioned Certificates, Opposer has acquired an exclusive ownership over the mark 'ENERVON-C' to the exclusion of all others.

"7. 'ENER-C' is confusingly similar to 'ENERVON-C'.

"7.1 There are no set rules that can be deduced in particularly ascertaining whether one trademark is confusingly similar to, or is a colorable imitation of, another. Nonetheless, jurisprudence provides enough guidelines and tests to determine the same.

"7.1.1 In fact, in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* [356 SCRA 207, 216,] the Supreme Court, citing *Ethepa v. Director of Patents*, held "[i]n determining if colorable imitation exists, jurisprudence has developed two kinds of tests - the Dominancy Test and the Holistic Test. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception and thus constitute infringement. On the side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity."

"7.1.2 It is worthy to note at this point that in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* [Supra, p. 221,] the Supreme Court held "[T]he totality or holistic test only relies on visual comparison between two trademarks whereas the dominancy test relies not only on the visual but also on the aural and connotative comparisons and overall impressions between the two trademarks."

"7.1.3 Relative thereto, the Supreme Court in *McDonalds' Corporation vs. L.C. Big Mak Burger, Inc.* [437 SCRA 10] held:

x x x

"7.1.4 Applying the dominancy test, it can be readily concluded that the trademark 'ENER-C', owned by Respondent, so resembles the trademark 'ENERVON-C', that it will likely cause confusion, mistake and deception on the part of the purchasing public.

"7.1.4.1 Both marks start with the letter 'E';

"7.1.4.2 The first four letters of both marks are the same 'E', 'N', 'E', 'R';

"7.1.4.3 Both marks end with a capital letter 'C' preceded by a dash;

"7.1.5 Clearly, the Respondent adopted the dominant features of the Opposer's mark 'ENERVON-C';

"7.1.6 As further ruled by the High Court in *McDonald's case* [p.33]

x x x

"7.2 The trademark 'ENERVON-C' and Respondent's trademark 'ENER-C' are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.

"7.2.1 Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed trademark 'ENER-C' is also applied for the same class and goods as that of

trademarks 'ENERVON-C', i.e. Class (5), used on vitamins; to the Opposer's extreme damage and prejudice.

"7.3 Yet, Respondent still filed a trademark application for 'ENER-C' despite its knowledge of the existing trademark registration of 'ENERVON-C' which is confusingly similar thereto in both its sound and appearance.

"8. Moreover, Opposer's intellectual property right over its trademark is protected under Section 147 of Republic Act No. 8293, otherwise known as the Philippine Intellectual Property Code ("IP Code"), which states:

x x x

"9. To allow Respondent to continue to market its products bearing the 'ENER-C' mark undermines Opposer's right to its marks. As the lawful owner of the mark 'ENERVON-C', Opposer is entitled to prevent the Respondent from using a confusingly similar mark in the course of trade where such would likely mislead the public.

"9.1 Being the lawful owner of 'ENERVON-C', Opposer has the exclusive right to use and/or appropriate the said marks 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.

"9.2 By virtue of Opposer's ownership of the trademark 'ENERVON-C', it also has the right to prevent third parties, such as Respondent, from claiming ownership over Opposer's marks or any depiction similar thereto, without its authority or consent.

"9.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks which the Supreme Court cited in McDonald's Corporation, McGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc., 437 SCRA 268 (2004), it is evident that the mark 'ENER-C' is aurally confusingly similar to Opposer's mark 'ENERVON-C'.

"9.4 To allow Respondent to use its 'ENER-C' mark on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the 'ENER-C' products of Respondent originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'ENERVON-C' products of Opposer, when such connection does not exist.

"9.5 In any event, as between the newcomer, Respondent, which by the confusion loses nothing and gains patronage unjustly by the association of its products bearing the 'ENER-C' mark with the well-known 'ENERVON-C' mark, and the first user and actual owner of the well-known mark, Opposer, which by substantial investment of time and resources and by honest dealing has already achieved favor with the public and already possesses goodwill, any doubt should be resolved against the newcomer, Respondent, considering that Respondent, as the latter entrant in the market had a vast range of marks to choose from which would sufficiently distinguish its products from those existing in the market.

"10. By virtue of Opposer's prior and continued use of the trademark 'ENERVON-C', the same have become well-known and established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent's confusingly similar trademark on its goods will enable the latter to obtain benefit from Opposer's reputation, goodwill and advertising and will tend to deceive and/or confuse the public into believing that Respondent is in any way connected with the Opposer.

"11. Likewise, the fact that Respondent seeks to have its mark ENER-C' registered in the same class (Nice Classification 5) as the trademark 'ENERVON-C' of Opposer will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

"12. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent of the trademark 'ENER-C'. In support of the foregoing, the instant Opposition is herein verified by Atty. Jose Maria A. Ochave which likewise serves as his affidavit (Nasser v. Court of Appeals, 191 SCRA 783 [1990]).

The Opposer's evidence consists of a copy of the IPO E-Gazette officially released on 02 May 2011; a copy of the certificate of registration No. 014854 for the trademark "ENERVON-C"; a copy of the deed assigning ownership of the trademark "ENERVON-C" to Unam Brands Ltd.; a copy of the deed assigning ownership of the trademark "ENERVON-C" to herein Opposer; Copies of the Affidavits of Use for the trademark "ENERVON-C"; sample product label bearing the trademark "ENERVON-C"; and, a copy of the certificate of product registration issued by BFAD for the mark "ENERVON-C".<sup>4</sup>

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 29 July 2011. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark ENER-C?

The Opposer anchors its opposition on the following provisions of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"):

Sec. 123.Registrability. - 123.1. A mark cannot be registered if it:

x xx

- (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;"

---

<sup>4</sup>Marked as Annexes "A" to "H".

Sec. 147. *Rights Conferred.* - 147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use, of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

This Bureau takes cognizance via judicial notice of the fact that, based on the records of the Intellectual Property Office of the Philippines, the Opposer filed a trademark application for ENERVON-C on 15 September 1967. The application covers a *high-potency therapeutic vitamin formula containing essential vitamin B complex plus vitamin C*. On the other hand, the Respondent-Applicant filed the trademark application subject of the opposition on 10 December 2010, more than four (4) decades from date of trademark application of Opposer's.

The competing marks, as shown below, are confusingly similar:

**ENERVON-C**

Opposer's trademark

**ENER-C**

Respondent-Applicant's mark

Respondent-Applicant's mark ENER-C adopted the dominant features of Opposer's mark consisting of the letters "ENER", the dash (-), and the letter "C". ENER-C appears and sounds almost the same as Opposer's trademark ENERVON-C. The first four (4) letters of both marks are the same, including the use of dash and the letter "C". Respondent-Applicant merely deleted "VON" in coming up with the mark ENER-C. Likewise, the competing marks are used on similar and/or closely related goods, particularly, as vitamin C. Thus, it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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.<sup>5</sup>

<sup>5</sup> *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that 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 article as his product.<sup>6</sup>


Succinctly, the field from which a person may select a trademark is practically unlimited. 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 Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.<sup>7</sup>

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.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2010-013451 is hereby SUSTAINED. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 06 November 2014.



**ATTY. NATHANIEL S. AREVALO**  
Director IV, Bureau of Legal Affairs

---

<sup>6</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa v. Director of Patents*, *supra*, *Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

<sup>7</sup> *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.