OFFICE OF THE DIRECTOR GENERAL

BIOMEDIS, INC.,
Appellant,

-versus-

LUMAR PHARMACEUTICAL LABORATORY,
Appellee.
x----------x

Appeal No. 14-2013-0015
IPC No. 14-2011-00056
Opposition to:

Application No. 4-2010-010118
Date Filed: 16 September 2010
Trademark: MILGESIC

NOTICE

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GREETINGS:

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

Taguig City, 15 December 2014.

Very truly yours,

ROBERT NEREO B. SAMSON
Attorney V

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DECISION

BIOMEDIS, INC. ("Appellant") appeals Decision No. 2013-51, dated 19 March 2013, of the Director of the Bureau of Legal Affairs ("Director") dismissing its opposition to Trademark Application No. 4-2010-0101181 for the mark "MILGESIC" for use on goods under Class 5[1], namely "analgesic; antipyretic; paracetamol preparations", filed on 16 September 2010 by LUMAR PHARMACEUTICAL LABORATORY ("Appellee").

Upon publication of the subject trademark application on 20 December 2010, the Appellant filed on 18 February 2011 an Opposition, essentially alleging that it will be damaged by the registration of the Appellee's mark on account of its prior registered mark, "BIOGESIC". Citing Section 123.1, paragraph (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), the Appellant sought the denial of the subject trademark application on the ground that the Appellee's mark "MILGESIC" is confusingly similar to its registered mark. The Appellant based its opposition on its prior registration for "BIOGESIC" for "medicinal preparations composed of paracetamol and ascorbic acid" under Class 05, which was filed on 20 September 1965 and registered on 24 March 1966.

In its Answer, the Appellee alleged, among other things, that a comparison of the subject marks would show that MILGESIC is not confusingly similar to BIOGESIC. It argued that a plain examination of "Milgesic" and "Biogesic" is sufficient to reveal that they are easily distinguishable from each other visually and phonetically. Hence, confusion is not even remotely likely to occur.

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[1] The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on the multilateral treaty administered by the World Intellectual Property Organiztion. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of Registration of Marks, and was concluded in 1957.

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After the appropriate proceedings, the Director rendered the subject Decision, dismissing the Appellant's Opposition. The Director noted that at the time the Appellee filed its trademark application on 16 September 2010, the Appellant already had an existing trademark registration for the mark BIOGESIC under Certificate of Registration No. 12196 issued on 24 March 1966, and which was renewed on 24 March 2006. However, the Director found that it is unlikely that the co-exsistence of the two marks would cause confusion, much less deception, among the public.

Dissatisfied, the Appellant filed the subject appeal, seeking the reversal of the Director's Decision and praying that the Appellee's trademark application be denied. In its appeal, the Appellant argued that its trademark BIOGESIC and the Appellee's mark MILGESIC are practically identical marks in sound and appearance, and that they leave the same commercial impression upon the public. Thus, the two marks can be easily confused for one over the other, most especially considering that the opposed mark MILGESIC is applied for the same class and goods as that of the Appellant's BIOGESIC.

In its Comment to the Appeal, the Appellee maintained that the subject marks are easily distinguishable from each other visually and phonetically. It argued that there can be no confusion as to the trademarks, considering that the two words do not look or sound enough alike, and the only similarity is the last syllable, which is not uncommon in names given for drug compounds.

The issue to be resolved in this appeal is whether the Director was correct in dismissing the opposition on the ground that the competing marks do not resemble each other, such that confusion and deception is likely to occur.

In this regard, Sec. 123.1 paragraph (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;

There is no dispute that the Appellant had registered in the Philippines the mark "BIOGESIC" prior to the filing of the Appellee's trademark application. Such trademark was registered for goods under Class 05, specifically "medicinal preparations composed of paracetamol and ascorbic acid". But the question to be resolved herein is whether the Appellee's mark being applied for is confusingly similar to the Appellant's registered mark, so as to present a likelihood that confusion and deception will occur.

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Below are the marks subject of the trademark application of the Appellee and the trademark registration of the Appellant:

MILGESIC	BIOGESIC
Appellee's Trademark Application	*Appellant's Registered Mark*

On its face, the distinctive features of the contending marks are sufficient to warn the purchasing public on which are the Appellants' products, as distinguished from the Appellee's products. The only common element between the two marks is the word or letters "GESIC", which appears to be derived from the word "analgesic", referring to the kind of pharmaceutical product that is covered by the Appellant's trademark registration and the Appellee's trademark application. The adoption of the prefix "MIL" in addition to the word "GESIC" is sufficient to distinguish the Appellee's MILGESIC goods from the Appellant's, which bear the mark BIOGESIC.

Although such root word "GESIC" may indicate to the consumers the goods or service, and/or the kind, nature, use or purpose thereof, the Appellee's mark MILGESIC may still be registered as a trademark. In the case of *Etepha, A. G. vs. Director of Patents and Westmont Pharmaceutical, Inc.*[2], the Court held that a descriptive term in itself cannot be exclusively appropriated by anyone, and therefore cannot be registered as a trademark. However, the same case held that while a descriptive or generic term cannot thus be used exclusively to identify one's goods, it may properly become the subject of a trademark "by combination with another word or phrase" or even an additional prefix or suffix. In this case, we find that the Appellee's mark MILGESIC does not consist *exclusively* of signs or indications that are generic for the goods that they seek to identify, nor does it consist *exclusively* of signs or indications that designate the kind, quality, intended purpose, or other characteristics of such goods, so as to fall within the prohibition against the registration of descriptive or generic marks.

Moreover, a person who would buy the Appellee's products would do so not on the basis of the mistaken belief that the product is that of the Appellant's, but because that is the product the person intends to buy. A very important circumstance to consider is whether there exists a likelihood that an appreciable number of ordinarily prudent purchasers will be misled, or simply confused, as to the source of the goods in question.[3] The "purchaser" is not the "completely unwary consumer" but is the "ordinarily intelligent buyer" considering the type of product involved.[4]

Such purchaser is "accustomed to buy", and therefore, to some extent, familiar with the goods in question. The test of fraudulent simulation is to be found in the

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[2] G.R. No. L-20635, 31 March 1966.
[3] *Mighty Corporation vs. E & J Gallo Winery, supra, citing* Mushroom Makers, Inc. vs. R.G. Barry Corp., 580 F. 2d 44, 47 (2d Cir. 1978), cert. denied, 439 U.S. 1116, 99 s. Ct. 1022, 59 L. Ed. 2d 75 [1979].
[4] *Mighty Corporation vs. E & J Gallo Winery, supra, citing Emerald Garment Manufacturing Corporation vs. Court of Appeals*. 251 SCRA 600 [1995].

likelihood of the deception of some persons in some measure acquainted with an established design and desirous of purchasing the commodity with which that design has been associated. The test is not found in the deception, or the possibility of deception, of the person who knows nothing about the design which has been counterfeited, and who must be indifferent between that and the other. The simulation, in order to be objectionable, must be such as appears likely to mislead the ordinary intelligent buyer who has a need to supply and is familiar with the article that he seeks to purchase.[5]

Furthermore, the products of the parties are not the everyday common goods or household items bought at a minimal cost. The nature of the goods of the parties requires a prospective buyer to be more aware and cautious in the purchase of the product. In this regard, the Supreme Court has held that:

> 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 medicinal 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 that 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 medicinal prescription. The common trade channel is the pharmacy of the drugstore. Similarly, the pharmacist or druggist verifies the medicine sold. The margin of error of one for the other is quite remote.
>
> We concede the possibility that buyers might be able to obtain Pertussin or Atussin without prescription. When this happens, then the buyer must be one thoroughly familiar with that he intends to get, else he would not have the temerity to ask for a medicine – specifically needed to cure a given ailment. In which case, the more improbable it will be to palm off one for the other. For a person who purchases with open eyes is hardly the man to be deceived.[6]

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.[7] As the likelihood of confusion of goods is a relative concept, to be determined only according to the particular, and sometimes peculiar, circumstances of each case,[8] the complexities attendant to an accurate assessment of likelihood of confusion requires that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined.[9]

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5 *Mighty Corporation vs. E & J Gallo Winery, supra, citing Dy Buncio vs. Tan Tiao Bok*, 42 Phil. 190 [1921].
6 *Etepha, A. G. vs. Director of Patents and Westmont Pharmaceutical, Inc.*, G.R. No. L-20635, 31 March 1966.
7 *Emerald Garment Manufacturing Corporation vs. Court of Appeals*, 251 SCRA 600 (1995).
8 *Esso Standard Easter, Inc. vs. Court of Appeals*, 116 SCRA 336 (1982).
9 *Societe Des Produits Nestle, S.A., et al. vs. Court of Appeals, et al.*, G.R. No. 112012, 04 April 2001

Considering the factual circumstances of the present case, this Office finds that the Director was correct in holding that there is no confusing similarity between the subject marks. What the law prohibits is that one manufacturer labels his product in a manner strikingly identical with or similar to that of another manufacturer as to deceive or confuse the buying public into believing that the two preparations are one and come from the same source.[10] In this case, we find that there is no such confusing similarity between the two marks.

Finally, this Office likewise notes the common practice of pharmaceutical companies of adopting trademarks for their product that reflect or resemble the product's generic name, the predominant chemical compound contained in the pharmaceutical preparation, the ailments sought to be treated, or the intended medical relief. As held by the Director, considering that the only similarity between the competing marks is the suffix "GESIC", sustaining the Appellant's opposition would have the unintended effet of giving the Appellant the exclusive right to use "GESIC", which is contrary to the principles of the trademark system. In fact, this Office takes further note that other prior trademark registrations exist for marks using the suffix "gesic" for pharmaceutical preparations, which are not owned by the Appellant.[11]

WHEREFORE, premises considered, the appeal is hereby DISMISSED. Let a copy of this Decision and the records of this case be furnished and returned to the Director of 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.

DEC 15 2014. Taguig City.

RICARDO R. BLANCAFLOR
Director General

[10] See *American Cyanamid Company vs. Director of Patents, et al.*, G. R. No. L-23954, 29 April 1977.

[11] Among which are: KIDDIGESIC under Registration Nos. 42012007320 and 42009005547; OXYGESIC under Registration No. 42012001910; CORTALGESIC under Registration No. 42011001838; EXELGESIC under Registration Nos. 42009007164 and 42006007756; GEOGESIC under Registration No. 42008710025; QUALIGESIC under Registration No. 42009000561; PAUGESIC under Registration No. 42008006560; NASAGESIC under Registration No. 42008001639; MEFAROGESIC under Registration No. 42006013557; NAPROGESIC under Registration No. 42007007335; STANGESIC under Registration No. 42005007729; FLAMGESIC under Registration No. 42005007943; RECTOGESIC under Registration No. 42000007649; COLGESIC under Registration No. 42004006583; ACTIGESIC under Registration No. 41996114809; SKYGESIC under Registration No. 41996109550; WELLCOGESIC under Registration No. 060511; DUROGESIC under Registration No. 056596; SUMAGESIC under Registration No. 014855; OPOGESIC APAP under Registration No. 022630, all under Class goods.

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