



NOVARTIS AG,
Opposer,

-versus-

PACIFIC PHARMACEUTICAL GENERICS INC.,
Respondent-Applicant.

X-----X

}
} IPC No. 14-2010-00310
} Opposition to:
} Appln No. 4-2010-003836
} Date filed: 13 April 2010
} TM: "AXILLIN"
}

NOTICE OF DECISION

E. B. ASTUDILLO & ASSOCIATES

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c/o RYAN C. MENDOZA
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459 Quezon Avenue, Quezon City

GREETINGS:

Please be informed that Decision No. 2014 - 319 dated December 10, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, December 10, 2014.

For the Director:


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



NOVARTIS AG,	}	IPC No. 14-2010-00310
Opposer,	}	Opposition to:
	}	
-versus-	}	Appln. Serial No. 4-2010-003836
	}	Date Filed: 13 April 2010
PACIFIC PHARMACEUTICAL	}	Trademark: "AXILLIN"
GENERICS INC.,	}	
Respondent-Applicant.	}	
x-----x	x	Decision No. 2014 - <u>319</u>

DECISION

NOVARTIS AG (Opposer)¹ filed an opposition to Trademark Application Serial No. 4-2010-003836. The application filed by **PACIFIC PHARMACEUTICAL GENERICS INC.** (Respondent-Applicant)² covers the mark "AXILLIN" for use on "pharmaceutical products" under class 5 of the International Classification of Goods³.

The opposition is anchored on the following grounds:

"8. The trademark AXILLIN being applied for by respondent-applicant is confusingly similar to opposer's trademark EXCILLIN believes that it would be damaged by the registration of the said mark and hereby opposes the registration.

"9. The registration of the trademark AXILLIN in the name of the respondent-applicant will violate Sections 123.1 subparagraph (d) of the Intellectual Property Code, to wit:

Section 123. Registrability.-123.1. 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;

1 A corporation duly organized and existing under the laws of Switzerland with principal address at CH-4002 Basel, Switzerland.

2 A domestic corporation with address at 3rd Floor LC Building, 459 Quezon Avenue, Quezon City

3 The Nice Classification of Goods and Services is for registering trademarks and service marks based on the multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration on Marks concluded in 1957

“8. The registration of the trademark AXILLIN in the name of respondent-applicant is contrary to the other provisions of the Intellectual Property Code of the Philippines.

The Opposer also alleges, among others, the following facts:

“9. The mark AXILLIN of respondent-applicant Pacific Pharmaceutical Generics, Inc. is confusingly similar with the trademark EXCILLIN of Opposer Novartis AG since:

a. Six (6) out of seven (7) letters, i.e. X, I, L, L, I and N, in the mark of respondent-applicant are also present in opposer’s mark.

b. Due to the identity of the six (6) letters, both marks ‘look’ alike when viewed from a distance.

c. The first syllable AX of respondent-applicant’s mark is almost identical to the first syllable EX of opposer’s mark. The second syllable IL of respondent’s mark sounds almost the same as the second syllable CIL of opposer’s mark. The third syllable LIN of respondent’s mark is identical to the third syllable LIN of opposer’s mark.

d. Because of the near unanimity in the letters and syllables of the two (2) marks, the syntax, the sound and the pronunciation of the words are the same. Phonetically therefore, the two (2) marks are confusingly similar.

e. Both marks are word marks in plain letters and not stylized. Neither is in color nor is compounded with a unique device or design. Hence, the similarity between the two (2) marks is even more pronounced or enhanced. xxx

“11. The first letter E and the silent third letter C in opposer’s mark and the first letter A in respondent’s mark do not negate confusing similarity between these marks of oppose and respondent-applicant, especially since the most of the letters in both marks are identical and similarly positioned. The test of confusingly similarity which would preclude the registration of a trademark is not whether the challenged mark would actually cause confusion, mistake or deception in the minds of the purchasing publics but whether the use of such mark would likely cause confusion or mistake. The law does not negate that the competing marks must be identical as to produce actual error or mistakes. It is sufficient that the similarity between the two marks be such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it. (Acoje Mining Co., Inc. v. Director of Patents, 18 SCRA 480 [1971]).xxx



“17. Opposer’s mark and respondent-applicant’s mark both cover similar and competing goods under International Class 5.

Opposer’s mark EXCILLIN covers:

‘Pharmaceutical veterinary and sanitary preparations, Dietetic substances adapted for medical use, food for babies, Plasters, materials for dressings, material for stopping teeth, dental wax’

while respondent-applicant’s mark AXILLIN covers:

‘Pharmaceutical Products’

Evidently, both marks are used on similar and competing goods. Both cover pharmaceutical goods for human use under the classification (International Class 5). Both are also sold, marketed and/or found in the same channels of business and trade, namely pharmacies, clinics, hospitals, and/or doctor’s offices. Hence, confusion will be less likely to aris in the minds of the purchasing public. xxx

’20. In the Philippines, opposer is the owner of the trademark EXCILLIN, the particulars of which are as follows:

Trademark	: EXCILLIN
Applicant	: Novartis AG
Certificate	
Of Reg. No.	: 4-2008-004897
Date Issued	: August 11, 2008
Appln. No.	: 4-2008-004897
Date filed	: April 25, 2008
Goods	: ‘Pharmaceuticals: Veterinary and sanitary preparations; dietetic substances adapted for medical use; food for babies; plasters; materials for dressings; material for stopping teeth; dental wax’
Class	: 5

“21. Opposer, through its local subsidiaries Novartis Healthcare Phils, inc. and Sandoz Philippines Corp. has also registered the products bearing the mark EXCILLIN with the Bureau of Food and Drug Administration (BFAD), now Food and Drug Administration (FDA).

“22. The trademark EXCILLIN was first used as early as January 1981 in the Philippines. Sample of product packaging of goods bearing the trademark EXCILLIN AS DISTRIBUTED IN THE Philippines are enclosed herewith as Annexes ‘E’ to ‘G’ and made integral parts hereof.

“23. Moreover, copies of purchase orders, import documents and invoices for the products bearing the mark EXCILLIN are enclosed herewith as Annexes ‘H’ to ‘L’ and made integral parts hereof.

“24. By virtue of opposer’s registration and use of the trademark EXCILLIN in the Philippines, said trademark has become distinctive of opposer’s goods and business. xxx”

To support its opposition, the Opposer submitted as evidence the following:

1. Copy of Certificate of registration No. 4-2008-004897 for the trademark “EXCILLIN”;
2. Copies of Certificates of Product Registrations for the brand name “EXCILLIN” with the Bureau of Food and Drugs;
3. Product Packaging of goods bearing the mark “EXCILLIN”;
4. Copy of purchase orders, import documents and invoice for products “EXCILLIN”;
5. Duly authenticated corporate secretary’s certificate dated 15 February 2010;
6. Legalized Joint Affidavit of Marcus Goldbach and manuel Hilewaert; and
7. Pages from Novartis AG Annual Report. ⁴

This Bureau served upon the Respondent-Applicant a “Notice to Answer” on 5 May 2011. The Respondent-Applicant, however, did not file an Answer.

Records show that at the time Respondent-Applicant applied for registration of the mark “AXILLIN” the Opposer already registered the mark EXCILLIN under Certificate of Registration No. 4-2008-004897 dated 11 August 2008. The goods covered by the Opposer’s trademark registration are also under Class 05, same as indicated in the Respondent-Applicant’s trademark application. Also, the goods indicated in the Respondent-Applicant’s trademark application are broadly stated as “pharmaceutical products”, which mean that it also includes goods covered by the Opposer’s trademark registration.

But are the competing marks, depicted below resemble each other such that confusion, even deception, is likely to occur?

The competing marks are reproduced below

Excillin

Opposer’s mark

AXILLIN

Respondent-Applicant’s mark

⁴ Exhibits “A” to “O”

The marks are similar with respect to the six, "X-I-L-L-I-N" of their six literal elements. The substitution by the Respondent-Applicant of the first letter of the mark "a" for "e" and the use of the Opposer of a silent letter "c" is of no moment. The resultant marks when pronounced are *idem sonans* or phonetically similar. Visually and aurally the marks are confusingly similar.

The Supreme Court in the case of *Marvex Commercial Co., Inv. V. Petra Hawpia & Co. and the Director of Patents*⁵ is instructive on the matter, to wit:

Two letters of "SALONPAS" are missing in "LIONPAS"; the first letter a and the letter s. Be that as it may, when the two words are pronounced, the sound effects are confusingly similar. And where goods are advertised over the radio, similarity in sound is of especial significance (*Co Tiong Sa vs. Director of Patents*, 95 Phil. 1 citing *Nims, The Law of Unfair Competition and Trademarks*, 4th ed., vol. 2, pp. 678-679). xxx

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 "Jazz-Sea"; "Silver Flash" and "Supper-Flash"; "Cascarete" and "Celborite"; "Celluliod" and "Cellonite"; "Chartreuse" and "Chaseurs" "Cutex" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and "Femetex"; "Zuso" and Hoo Hoo". Leon Admur, in his book "Trademark Law and Practice", pp. 419-421, cites, 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 "Condura" are confusingly similar in sound; this court held *Sapolin Co. vs. Balmeceada*, 67 Phil. 705 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 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 Coporation of America vs. E. I. Du Pont*, 154 F. 2d. 146, 148.

The Opposer has submitted proof of its ownership of the "EXCILLIN" mark, such as its Philippine registration of the mark "EXCILLIN"⁶; BFAD registrations for the mark "EXCILLIN"⁷; and various invoices, commercial documents⁸ showing sales of EXCILLIN products.

Succinctly, the public interest, requires the 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

⁵ G.R. No. L-19297, 22 December 1966

⁶ Exhibit "A"

⁷ Exhibits "H" to "L"

⁸ Exhibits "B" to "D"

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 manufactured against substitution and sale of an inferior and different article as his product.⁹ This Bureau finds that the registration of the mark AXILLIN in favor of the Respondent-Applicant would not serve this function/purpose.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2010-003836 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark be returned, together with a copy of this Decision, to the Bureau of Trademarks for Information and appropriate action.

SO ORDERED.

Taguig City, 10 December 2014.


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

⁹ Pribhdas J. Mirpuri v. Court of Appeals, G. R. No. 114508, 19 November 1999, citing Etepha 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).