



MERCK KGaA,
Opposer,

-versus-

SEVILLE PHARMACEUTICALS, INC.,
Respondent-Applicant.

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}
} IPC No. 14-2013-00456
} Opposition to:
} Application No.4-2013-00009205
} Date filed: 02 August 2013
} TM: "ATOREZ"
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}
}
}

NOTICE OF DECISION

BUCOY POBLADOR & ASSOCIATES

Counsel for the Opposer
21st Floor Chatham House
116 Valero corner Rufino Streets
Salcedo Village, Makati City

SEVILLE PHARMACEUTICALS, INC.

Respondent-Applicant
Unit 501 Fifth floor
The Taipan Place, F. Ortigas Jr. Road
Ortigas Center, Pasig City

GREETINGS:

Please be informed that Decision No. 2015 - 18 dated February 26, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, February 26, 2015.

For the Director:


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



MERCK KGaA,	}	IPC No. 14-2013-00456
Opposer,	}	Opposition to:
	}	
- versus -	}	Application No. 4-2013-00009205
	}	Date Filed: 02 August 2013
SEVILLE PHARMACEUTICALS, INC.,	}	
Respondent-Applicant.	}	Trademark: ATOREZ
x-----x	x	Decision No. 2015 - <u>18</u>

DECISION

MERCK KGaA¹ ("Opposer") filed a Verified Notice of Opposition to Trademark Application No. 4-2013-00009205. The contested application, filed by SEVILLE PHARMACEUTICALS, INC.², ("Respondent-Applicant"), covers the mark ATOREZ for use on "pharmaceutical preparations" under Class 05 of the International Classification of goods³.

The Opposer alleges, among other things, that:

"1. The mark ATOREZ which Respondent-Applicant seeks to register so resembles Opposer's registered trademark AFOREX which when applied to or used in connection with the goods covered by the application under opposition will likely cause confusion, mistake and deception on the part of the purchasing public.

"2. The registration of the mark ATOREZ in the name of Respondent-Applicant will violate Section 123.1 (d) of Republic Act No. 8293 ("Intellectual Property Code") which categorically provides that "(a) mark cannot be registered if it:

x x x

(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; x x x

Thus, any mark which is identical with a registered mark belonging to a different person or legal entity should be denied registration in respect of similar or related goods, or if the mark applied for registration nearly resembles

1 A German partnership limited by shares with business address at Frankfurter Strabe 250, 64271 Darmstadt, Germany.
 2 A corporation allegedly organized and existing under and by virtue of Philippine laws, with principal office address at Unit 501, 5th Floor The Taipan Place, F. Ortigas Jr. Road, Ortigas Center, Pasig City, Philippines.
 3 Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral administered by the World Intellectual Property Organization. This 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.

such registered mark that confusion or deception in the mind of the buying public will likely result.

"3. Respondent-Applicant's use and registration of the mark ATOREZ will diminish the distinctiveness and dilute the goodwill of Opposer's registered trademark AFOREX.

"4. Finally, the registration of the mark ATOREZ in the name of Respondent-Applicant will violate Section 123.1 (h) of the Intellectual Property Code which categorically provides that "(a) mark cannot be registered if it:

x x x

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify; x x x

Thus, any mark which is practically generic should be denied registration. Otherwise, it will result in the absurd situation wherein Respondent-Applicant would have the right to prevent others from using and indicating the generic name in their own products and services. Needless to state, Respondent-Applicant's ATOREZ mark was obviously copied and derived from the generic name ATORVASTATIN."

In support of the Opposition, the Opposer submitted the following pieces of evidence:

1. Original legalized Special Power of Attorney executed in favor of BUCOY POBLADOR & ASSOCIATES (*Exhibit "A"*);
2. Affidavit executed jointly by Dr. Oliver Kisker and Mr. Jorg Bernd Bermuller, Principal Officers of the Opposer (*Exhibit "B"*);
3. Certified true copy of Opposer's Certificate of Philippine Trademark Registration No. 4-2012-003863 issued on 28 June 2012 for the mark AFOREX (*Exhibit "C"*); and
4. Publication of Respondent-Applicant's Trademark Application No. 4-2013-009205 for the mark ATOREZ in the IPOPHIL e-Gazette (*Exhibit "D"*).

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 23 January 2014. The Respondent-Applicant, however, did not file its Verified Answer. Thus, this Bureau issued Order No. 2014-451 dated 04 April 2014 declaring the Respondent-Applicant in default and submitting the case for decision on the basis of the opposition, affidavit of witness and documentary or object evidence submitted by the Opposer.

Should the Respondent-Applicant be allowed to register the trademark ATOREZ?

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.⁴ Thus, Section 123.1 (d) of R. A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides, in part, 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; x x x

In this regard, the records and evidence show that at the time the Respondent-Applicant filed its trademark application on 02 August 2013, the Opposer has already been issued a Certificate of Registration (No. 4-2012-003863) on 28 June 2012 for the trademark AFOREX. The Respondent-Applicant's trademark application indicates that its mark is for use on pharmaceutical preparations under Class 05 while the Opposer's mark is likewise for goods under Class 05, namely, pharmaceutical preparations for the prevention and treatment of cardiovascular diseases.

But do the marks, as shown below, resemble each other that confusion, or even deception, is likely to occur?

AFOREX

Opposer's Mark

ATOREZ

Respondent-Applicant's Mark

There is no dispute that both marks contain six (6) letters and three (3) syllables. The second letter in the Opposer's mark is letter "F" while that of the Respondent-Applicant's is letter "T". The sixth and last letter in both marks also differs in that Opposer's mark ends with letter "X" while the Respondent-Applicant's mark ends with letter "Z". This slight difference or change in the letters, however, did not retract from the finding of confusing similarity. Indeed, confusion cannot be avoided by merely dropping, adding or changing some of the letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other.⁵

Moreover, because of the similarity in the number of letters and syllables and their arrangement, the marks produced the same sound effect when pronounced. The Respondent-Applicant's second and third syllables /TO/ and /REZ/, respectively, are hardly distinguishable from Opposer's /FO/ and /REX/ such that when pronounced

⁴ See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

⁵ *Societe Des Produits Nestle S. A. v. Court of Appeals*, G. R. No. 112012, April 4, 2001.

altogether, they give the same aural effect. Time and again, the court has taken into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity.⁶ Thus, in *Marvex Commercial Co., Inc. v. Petra Hawpia & Co., et al.*⁷, the Court held:

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 "Jass-Sea"; "Silver Flash" and "Supper Flash"; "Cascarete" and "Celborite"; "Celluloid" and "Cellonite"; "Chartreuse" and "Charseurs"; "Cutex" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and "Femetex"; "Zuso" and "Hoo Hoo". Leon Amdur, in his book "Trade-Mark 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 "Cordura" are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 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 at 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 Corporation of America vs. E. I. Du Pont*, 154 F. 2d. 146, 148)."

Succinctly, since the Respondent-Applicant's mark is broadly indicated as pharmaceutical preparations, the same is wide enough to cover the goods carried by the Opposer's mark. Therefore, the changes in the letters of the marks did not diminish the likelihood of the occurrence of mistake, confusion or even deception.

It is stressed that the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.⁸ The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court.⁹

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily 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

6 *Prosource International Inc. v. Horphag Research Management S. A.*, G. R. No. 180073, 25 November 2009.

7 G. R. No. L-19297, 22 December 1966.

8 *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

9 *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987


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.

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2013-00009205 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 26 February 2015.



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