



NOVARTIS AG,  
Opposer,

-versus-

CATHAY YSS DISTRIBUTORS CO., INC.,  
Respondent-Applicant.

X-----X

}  
} **IPC No. 14-2014-00438**  
} Opposition to:  
} Application No. 4-2012-00013696  
} Date filed: 12 November 2012  
} **TM: "ZYPHEN"**  
}

### NOTICE OF DECISION

#### E. B. ASTUDILLO & ASSOCIATES

Counsel for the Opposer  
Citibank Center, 10<sup>th</sup> Floor  
8741 Paseo de Roxas, Makati City

#### CATHAY YSS DISTRIBUTORS CO., INC.


Respondent-Applicant  
2<sup>nd</sup> Floor Vernida I  
Amorsolo St., Legaspi Village  
Makati City

#### GREETINGS:

Please be informed that Decision No. 2015 - 90 dated May 15, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City , May 15, 2015.

For the Director:

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



NOVARTIS AG,	}	IPC No. 14-2014-00438
Opposer,	}	Opposition to:
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-versus-	}	Application No. 4-2012-00013696
	}	Date Filed: 12 November 2012
CATHAY YSS DISTRIBUTORS	}	
CO., INC.,	}	Trademark: ZYPHEN
Respondent-Applicant.	}	
x-----x		Decision No. 2015 - <u>90</u>

## DECISION

NOVARTIS AG<sup>1</sup> ("Opposer") filed a Verified Notice of Opposition to Trademark Application No. 4-2012-00013696. The contested application, filed by CATHAY YSS DISTRIBUTORS CO., INC.<sup>2</sup> ("Respondent-Applicant"), covers the mark ZYPHEN for use on "*pharmaceutical*" under Class 05 of the International Classification of goods<sup>3</sup>.

The Opposer alleges, among other things, that:

"11. The trademark ZYPHEN being applied for by Respondent-Applicant is confusingly similar to Opposer's trademark CYFEN, as to be likely, when applied to or used in connection with the goods of Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public.

"12. The registration of the trademark ZYPHEN in the name of Respondent-Applicant will violate Section 123.1, subparagraph (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, to wit:

"Sec. 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" x x x

<sup>1</sup> A corporation duly organized and existing under and by virtue of the laws of Switzerland, with business address at 4002 Basel, Switzerland.

<sup>2</sup> With business address at 2<sup>nd</sup> Floor Vernida I, Amoroso Street, Legazpi Village, Makati City, Philippines.

<sup>3</sup> 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.



"13. The registration and use by Respondent-Applicant of the trademark ZYPHEN will diminish the distinctiveness and dilute the goodwill of Opposer's trademark CYFEN.

"14. The registration of the trademark ZYPHEN in the name of Respondent-Applicant is contrary to other provisions of the Intellectual Property Code of the Philippines."

In support of its Opposition, the Opposer submitted a copy of the Certificate of Registration No. 4-2008-007928 for the trademark CYFEN, notarized Affidavit-Testimony of Susanne Groeschel-Jofer and Andrea Felbermeir dated 03 November 2014, certified true copy of Secretary's Certificate dated 10 May 2012 and Opposer's Annual Report for the year 2013.<sup>4</sup>

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 05 December 2014. The Respondent-Applicant, however, failed to file the Verified Answer. Thus, this Bureau issued Order No. 2015-598 dated 21 April 2015 declaring the Respondent-Applicant in default and requiring the Opposer to submit the originals or certified true copies of the affidavit, documentary and/or object evidence attached to the opposition. The Opposer filed its Compliance on 06 May 2015.

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

It is emphasized that the essence of trademark registration is to give protection to the owners of the 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 products<sup>5</sup>. Thus, Section 123.1 (d) of R. A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services, or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

In this regard, the records and evidence show that at the time the Respondent-Applicant filed its trademark application on 12 November 2012, the Opposer has already an existing registration for the trademark CYFEN issued on 13 October 2008. The Opposer's mark is registered under Class 05 as *"pharmaceutical, veterinary and sanitary preparations, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings, materials for stopping teeth, dental wax"*. This good as compared

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<sup>4</sup> Exhibits "A" to "D".

<sup>5</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114509, 19 November 1999.



with the Respondent-Applicant's are related being both pharmaceutical products under Class 05.

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

**CYFEN**

Opposer's mark

**ZYPHEN**

Respondent-Applicant's mark

The determinative factor in ascertaining whether or not marks are confusingly similar to each other 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. 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 new brand for it.<sup>6</sup>

In the instant case, the possibility or likelihood of confusion is apparent as between the Opposer's and Respondent-Applicant's marks. The visual differences in terms of number of letters and font style are inconsequential to retract the finding of confusion in the marks. This Bureau finds merit in the Opposer's argument that the marks despite differences in spelling are aurally the same, to wit:

"a. Both marks are composed of two syllables each, CY-FEN for Opposer and ZY-PHEN for the Respondent-Applicant. Aurally, these two words are the same, they are identical. The first syllable CY and ZY, despite the difference in the first letter, are phonetically the same. The second syllable FEN and PHEN are similarly, phonetically identical, despite the difference in spelling.

"b. There is therefore hardly any difference in their sound and pronunciation. Applying the test of "idem sonans", the two syllables in the Respondent-Applicant's mark are similar aurally to that of Novartis' mark; hence the likelihood of confusion."<sup>7</sup>

In determining the issue of confusing similarity, the court has also taken into account the aural effects of the words and letters contained in the mark.<sup>8</sup> Thus, in *Marvex Commercial Co., Inc. v. Petra Hawpia & Co., et. al.*<sup>9</sup>, the Supreme Court held:

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<sup>6</sup> *Converse Rubber Corporation v. Universal Rubber Products, Inc.*, G. R. No. L-27906, 08 January 1987)

<sup>7</sup> Pages 6 and 7 of the Verified Notice of Opposition.

<sup>8</sup> *Prosource International Inc. v. Horphag Research Management S. A.*, G. R. No. 180073, 25 November 2009.

<sup>9</sup> G. R. No. L-19297, 22 December 1966.



"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)."

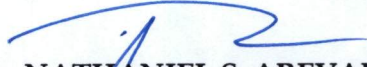
Succinctly, since the Respondent-Applicant's mark is broadly indicated as "pharmaceutical", the same is wide enough to cover the goods carried by the Opposer's mark. The similarity in sound, therefore, would create the possibility or it might reasonably be assumed that the goods originate from the Opposer or that there is some connection between them when in fact it does not exist. As trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing, when one talks about the Opposer's trademark or conveys information thereon, what reverberates is the sound made in pronouncing it. The same sound is practically replicated when one pronounces the Respondent-Applicant's mark.

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. 4-2012-00013696 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 15 May 2015.

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