



NOVARTIS AG,
Opposer,

-versus-

LABORATORIES THEA,
Respondent-Applicant.

}
} **IPC No. 14-2010-00158**
} Opposition to:
} Application No.4-2009-012838
} Date filed: 15 December 2009
} **TM: "AZYTER"**
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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 85 dated May 08, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 08, 2015.

For the Director:


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



NOVARTIS AG,
Opposer,

- versus -

LABORATORIES THEA,
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x ----- x

IPC No. 14-2010-00158
Opposition to:

Appln. No. 4-2009-012838
Date Filed: 15 December 2009
Trademark : "AZYTER"

Decision No. 2015 - 85

DECISION

NOVARTIS AG ("Opposer")¹ filed on 30 July 2010 a verified opposition to Trademark Application Serial No. 4-2009-012838. The application, filed by LABORATORIES THEA ("Respondent-Applicant")², covers the mark "AZYTER" for use of goods under class 5³ namely: ophthalmological preparations, dietetic substances adapted for medical use, vitamin preparations, mineral food supplements, food supplements for medical purposes, disinfectants for medical or sanitary purposes (except soaps), eyedrops, preparations for cleaning contact lenses, lotions for pharmaceutical purposes, antiseptics, analgesics, tranquilisers, sedatives.

The Opposer alleges the following:

"LEGAL GROUNDS FOR THE OPPOSITION

"3. The trademark AZYTER being applied for by respondent-applicant is confusingly similar to opposer's trademark AZYTH. 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.

"4. The registration of the trademark AZYTER 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, x x x

"5. The registration and use by respondent-applicant of the trademark AZYTER will diminish the distinctiveness and dilute the goodwill of opposer's trademark AZYTH.

"6. The registration of trademark AZYTER in the name of respondent-applicant is contrary to other provision of the Intellectual Property Code of the Philippines.

"FACTS AND CIRCUMSTANCES IN SUPPORT OF THE OPPOSITION

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

² A corporation organized and existing under and by virtue of the laws of France with office address at 12, rue Louis Bleriot, 63100 Clermont, Ferrand, France.

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

"I. Respondent-applicant's mark AZYTER, being applied for registration, is confusingly similar to opposer's registered mark AZYTH, 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.

"II. The goods covered by respondent-applicant's mark AZYTER are similar to, related to and competing with the goods covered by opposer's registered mark AZYTH such that respondent-applicant's use of its mark will most likely cause confusion in the minds of the purchasing.

"III. Opposer, being the owner and registrant of the mark AZYTH in the Philippines, has superior and exclusive rights over said mark and other marks similar thereto, to the exclusion of any third party."

The Opposer's evidence inclusive of annexes consists of the following:

1. Exhibit "A" - Copy of Philippine Certificate of Registration No. 4-2007-009510 for trademark AZYTH;
2. Exhibit "B" - Copy of Certificate of Product Registration No. DR-XY32518 issued by the Bureau of Food and Drugs;
3. Exhibit "C" - Copy of Certificate of Product Registration No. DR-XY32519 by the Bureau of Food and Drugs;
4. Exhibit "D" - Product packaging of good bearing the mark AZYTH (box);
5. Exhibit "E" - Product packaging of goods bearing the mark AZYTH (250 mg.);
6. Exhibit "F" - Product packaging of goods bearing the mark AZYTH (500 mg.);
7. Exhibit "G"- "G-1"- Copy of purchase order of the product bearing the mark AZYTH;
8. Exhibit "H" - Copy of invoice of the product bearing the mark AZYTH;
9. Exhibit "I" - Duly authenticated Corporate Secretary's Certificate;
10. Exhibit "J"- "J-7"- Legalized Joint Affidavit-Testimony of Marcus Goldbach and Andrea Felberneir; and,
11. Exhibit "K"- "K-3"- Pages from Novartis AG's Annual Report for 2009.

On 29 December 2010, Respondent-Applicant filed its Answer containing among others the following allegations:

"2. The marks 'AZYTER' vs. 'AZYTH' are not confusingly similar since there are striking differences that precludes the possibility of the purchasing public confusing the Opposer's products (i.e. pharmaceutical, veterinary and sanitary preparations, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings, material for stopping teeth, dental wax) with the Respondent-Applicant's products consisting of ophtalmic solutions whose active ingredient is azithromycin which allows for simplified and shortened administration for mild to serious infectious eye diseases. Besides, based on the labels of the Opposer and that of the respondent-applicant, they are entirely different in size, background, colors, contents and pictorial arrangement. In short, the general appearances of the labels bearing the respective trademarks are so distinct from each other that Opposer cannot assert that the dominant features, if any, of its trademark 'AZYTH' were used or appropriated in Respondent-applicant's own mark

'AZYTER'. Looking at the two (2) marks in their respective labels as shown in Exhibits '1' and '2', it is quite apparent that the source of the product is predominantly indicated thereby discounting Opposer's assertion that the Respondent-Applicant's mark 'AZYTER' is a plain copy of Opposer's mark with intent to pass respondent-applicant's products as coming from the same source as that of Opposer's products. Besides, the intended purpose of the Opposer's products and those of the Respondent-applicant's products are very different and so distinct from one another so that confusion or deception is very unlikely.

"3. Since the goods of the Opposer and those of the Respondent-Applicant are medicinal products, the margin of error in the acquisition of one product for the other product is remote because purchasers are more wary of the nature of the goods they are buying so that confusion or deception on the products as well as on business is unlikely. Moreover, medicines are generally dispensed and sold upon presentation of a doctor's prescription. While the doctor does not go to the drugstore to buy a particular medicine, he practically dictates what medicine to buy through his medical prescription. And the doctor is knowledgeable of, and well acquainted with, the medicine he prescribes for the patient. Thus, the likelihood of confusion as to the subject prescription medicines bought that may arise from the use of 'AZYTER' vis-a-vis 'AZYTH' is remote. As it has been said in a case, the person who actually buys the medicine 'reads' the doctor's prescription, he knows what 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 medical prescription. The common trade channel is the pharmacy or the drugstore. Similarly, the pharmacist or druggist verifies the medicine sold. And while there is a possibility that a buyer must be one thoroughly familiar with what he intends to get, or 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. x x x"

Respondent-Applicant submitted its lone evidence as Exhibit "1", consisting of the List of International Registrations for the mark AZYTER. Thereafter, parties filed their Reply and Rejoinder on 18 January 2011 and 03 February 2011, respectively. Position papers were likewise submitted in accordance to the rules. Hence, this case is submitted for decision.

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

Records show that Opposer's application for registration of the mark "AZYTH" preceded the Respondent-Applicant's filing of the trademark application. In fact, the Opposer obtained the trademark registration as early as 18 February 2008 under Registration No. 4-2007-009510⁴. The registration covers *"pharmaceutical, veterinary and sanitary preparations, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings, material for stopping teeth, and dental wax"*. The coverage of Opposer's trademark registration includes the goods covered by that of Respondent-Applicant. In this regard, the Respondent-Applicant's trademark application indicated usage of the mark "AZYTER" for *"ophthalmological preparations, dietetic substances adapted for medical use, vitamin preparations, mineral food supplements, food supplement for medical purposes, disinfectants for medical or sanitary purposes (except soaps), eyedrops, preparations for cleaning contact lenses, lotions for pharmaceutical purposes, antiseptics, analgesics, tranquilisers, and sedatives."*

⁴ Exhibit "A" of Opposer.



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

AZYTH

Opposer's Trademark

AZYTER

Respondent-Applicant's Trademark

There is sufficient reason to infer or conclude that the syllables "azyth" and/or "azyt" are derived from the generic word "azithromycin" which is the product covered by the Opposer's and Respondent-Applicant's respective marks. This observation is supported by the product samples submitted by the Opposer as evidence, which indicates the generic name of the pharmaceutical "AZYTH" covers. A trademark that consists of, ends or begins with "azit" or "azyth", as in the case of Opposer's mark, and is used for azithromycin is a suggestive mark and, therefore, a weak mark. There is no real creativity or ingenuity in the adoption of the mark AZYTH as the Opposer merely dropped the letters/syllables "ROMYCIN" from azithromycin. The mark or brand name itself suggests or tells the consumers the goods or service it covers and/or the kind, use, purpose or nature thereof.

Descriptive terms, which may be used to describe the product adequately, cannot be monopolized by a single user and are available to all. It is only natural that the trade will prefer those marks which bear some reference to the article itself.⁵ What will set apart or distinguish such mark from another which is also derived from its generic name are three letters and/or syllable that precede or succeed the same. In this instance, the difference between the contending marks is sufficient to eliminate the likelihood of confusing one mark for the other. It is highly unlikely that a consumer will be confused, much more deceived, into believing that Respondent-Applicant's goods originated from the Opposer's. Respondent-Applicant's mark is pronounced as /a-zi-ter/, which is far from Opposer's mark which is simply pronounced with two syllables /a-zith/.

This Bureau, therefore is constrained from sustaining the opposition, to do so would have the unintended effect of giving the Opposer the right to exclude others from appropriating a trademark with prefix "azyth", which is just the shortened version of the generic name *azithromycin*.

WHEREFORE, premises considered, the instant opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2009-012838 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 08 May 2015.


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

⁵ Ong Ai Gui v. Director of Philippines Patent Office, G.R. No. L-6235, 28 March 1955.