



BIOMEDIS INC.,
Opposer,

-versus-

KOTRA PHARMA (m) SDN. BHD.,
Respondent-Applicant.

}
} IPC No. 14-2009-00284
} Opposition to:
} Appln. Serial No. 4-2009-001767
} Date Filed: 18 Feb. 2009
} TM: "APPETON & DEVICE"
}

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 116 dated June 17, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 17, 2015.

For the Director:

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



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-versus-

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IPC No. 14-2009-00284

Opposition to:

Application No. 4-2009-001767

Date Filed: 18 Feb 2009

Trademark: "APPETON & DEVICE"

Decision No. 2015- 116

DECISION

BIOMEDIS, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2009-001767. The application, filed by Kotra Pharma (m) SDN.BHD.² ("Respondent-Applicant"), covers the mark "APPETON & DEVICE" for use on "milk powder and other dairy products included in Class 29" under Class 29 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"GROUNDS FOR OPPOSITION

"The grounds for this opposition are as follows:

"1. The trademark 'APPETON' so resembles the 'APPEBON 500' ('APPEBON' for brevity) trademark, registered with this Honorable Office prior to the publication for opposition of the mark 'APPETON'. The trademark 'APPETON', which is owned by Kotra Pharma, will likely cause confusion, mistake and deception on the part of the purchasing public;

"2. The registration of the trademark 'APPETON' in the name of the Respondent-Applicant will violate Sec. 123 of Republic Act No. 8293, otherwise known as the 'Intellectual Property Code of the Philippines', which provides, in part, that a mark cannot be registered if it:

x x x

'Under the above-quoted provision, any mark which is similar to a registered mark shall be denied registration in respect of similar or related goods or if the mark

¹ A domestic corporation organized and existing under the laws of the Republic of the Philippines with principal office located at 750 Shaw Blvd., Mandaluyong City.

² A foreign corporation organized and existing under and by virtue of the laws of the State of Malaysia with principal office at No. 1 Jalan TTC 12, Cheng Industrial Estate, 75250 Melaka Malaysia.

³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The 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.

applied for nearly resembles a registered mark that confusion or deception in the mind of the purchasers will likely result.

"3. In a decision dated 17 December 2008, this Honorable Office already ruled that there exist confusing similarity between the marks 'APPEBON' and 'APPETON' and as the registered owner, prior applicant and user of the trademark 'APPEBON', Opposer is entitled to protection under Section 123 and 147 of R.A. 8293.
xxx

"4. Respondent-Applicant's use and registration of the trademark 'APPETON' will diminish the distinctiveness and dilute the goodwill of Opposer's trademark 'APPEBON'.

"ALLEGATIONS IN SUPPORT OF THE OPPOSITION

"In support of this Opposition, Opposer will rely upon and prove the following facts:

"5. Opposer, the registered owner of the trademark 'APPEBON', is engaged in the marketing and sale of a wide range of pharmaceutical products. The Trademark Application for the trademark 'APPEBON' was filed with the Bureau of Patents, Trademarks and Technology Transfer on 20 May 1985 by Opposer and was approved for registration by this Honorable Office on 24 January 1989 and valid for a period of twenty (20) years or until 24 January 2009. Prior to the expiration of the registration, Opposer filed an application for its renewal which was subsequently approved and valid for a period of ten (10) years or until 24 January 2019. The Opposer's registration of the 'APPEBON 500' trademark subsists and remains valid to date. Copies of the Certificate of Registration Number 42788 and the Certificate of Renewal of Registration are hereto attached x x x

"6. The trademark 'APPEBON' has been extensively used in commerce in the Philippines.

"6.1 Opposer dutifully filed Affidavits of Use pursuant to the requirement of law, to maintain the registration of 'APPEBON' in force and effect. Copies of the Affidavits of Use filed by Opposer are hereto attached x x x

"6.2 A sample product box bearing the trademark 'APPEBON 500' actually used in commerce is hereto attached x x x

"6.3 In order to legally market, distribute and sell these pharmaceutical preparations in the Philippines, we registered the products with the Bureau of Food and Drugs (BFAD). A copy of the Certificate of Registration issued by the BFAD for the mark 'APPEBON' is hereto attached x x x.

"7. There is no doubt that by virtue of the above-mentioned Certificates of Registration, the uninterrupted use of the trademarks 'APPEBON', and the fact that they are well known among consumers, the Opposer has acquired an exclusive ownership over the 'APPEBON' mark to the exclusion of all others.

"8. 'APPETON' is confusingly similar to 'APPEBON'.

"8.1 There are no set rules that can be deduced in particularly ascertaining whether one trademark is confusingly similar to, or is a colorable imitation of, another. Nonetheless, jurisprudence provides enough guidelines and tests to determine the same.

"8.1.1 In fact, in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* [356 SCRA 207, 216] the Supreme Court, citing *Ethepa v. Director of Patents*, held '[i]n determining if colorable imitation exists, jurisprudence has developed two kinds of tests - the Dominancy Test and the Holistic Test. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception and thus constitute infringement. On the other side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity.

"8.1.2 It is worthy to note at this point that in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* [Supra, p. 221,] the Supreme Court held "[T]he totality or holistic test only relies on visual comparison between two trademarks whereas the dominancy test relies not only on the visual but also on the aural and connotative comparisons and overall impressions between the two trademarks."

"8.1.3 Relative thereto, the Supreme Court in *McDonalds' Corporation vs. L.C. Big Mak Burger, Inc.* [437 SCRA 10] held:

x x x

"8.1.4 In this case, it is clear that the dominant feature in the Opposer's marks is the word 'APPEBON' and applying the dominancy test, it can be readily concluded that the trademark 'APPETON', owned by Respondent-Applicant, so resembles the trademark 'APPEBON', that it will likely cause confusion, mistake and deception on the part of the purchasing public.

"8.1.4.1 First, 'APPETON' sounds almost the same as 'APPEBON';

"8.1.4.2 Second, the first four letters of the contending marks are exactly the same;

"8.1.4.3 Third, 'APPEBON' and 'APPETON' have both 3 syllables.

"8.1.4.4 Fourth, both 'APPEBON' and 'APPETON' are composed of seven letters;

"8.1.5 Clearly, the Respondent-Applicant adopted the dominant features of the Opposer's marks 'APPEBON';

"8.1.6 As further ruled by the High Court in McDonald's case, supra, pp. 33 to 34:

x x x

"8.2 The trademark 'APPEBON' and Respondent-Applicant's trademark 'APPETON' are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.

"8.2.1 Thus, the two marks can easily be confused for one over the other to Opposer's extreme damage and prejudice.

"8.2.2 Even this Honorable Office has already ruled with finality the denial of the previous application for registration of the same mark by the same Respondent-Applicant for being confusingly similar to Opposer's mark;

"8.3 Yet, Respondent-Applicant still filed a trademark application for 'APPETON' despite its knowledge of the existing trademark registration of 'APPEBON' which is confusingly similar thereto in both its sound and appearance and more importantly, the decision of this Honorable Office.

"9. Moreover, Opposer's intellectual property right over its trademark is protected under Section 147 of Republic Act No. 8293, otherwise known as the Philippine Intellectual Property Code ('IP Code'), which states:

x x x

"10. To allow Respondent-Applicant to continue to market its products bearing the 'APPETON' mark undermines Opposer's right to its marks. As the lawful owner of the marks 'APPEBON 500', Opposer is entitled to prevent the Respondent-Applicant from using a confusingly similar mark in the course of trade where such would likely mislead the public.

"10.1 Being the lawful owner of 'APPEBON', Opposer has the exclusive right to use and/or appropriate the said marks and prevent all third parties not having its consent from using in the course of trade identical or similar marks, where such would result in a likelihood of confusion.

"10.2 By virtue of Opposer's ownership of the trademark 'APPEBON', it also has the right to prevent the third parties, such as Respondent-Applicant, from claiming ownership over Opposer's marks or any depiction similar thereto, without its authority or consent.

"10.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks which the Supreme Court cited in McDonald's Corporation, McGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc., 437 SCRA 268 (2004), it is evident that the mark 'APPETON' is aurally confusingly similar to Opposer's mark 'APPEBON'.

"10.4 To allow Respondent-Applicant to use its 'APPETON' mark on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the 'APPETON' products of Respondent-Applicant originate from or is being manufactured by Opposer, or at the very

least, is connected or associated with the 'APPEBON' products of Opposer, when such connection does not exist.

"10.5 In any event, as between the newcomer, Respondent-Applicant, which by the confusion loses nothing and gains patronage unjustly by the association of its products bearing the 'APPETON' mark with the well-known 'APPEBON' mark, and the first user and actual owner of the well-known mark, Opposer, which by substantial investment of time and resources and by honest dealing has already achieved favor with the public and already possesses goodwill, any doubt should be resolved against the newcomer, Respondent-Applicant, as the latter entrant in the market had a vast range of marks to choose from which would sufficiently distinguish its products from those existing in the market.

"11. By virtue of Opposer's prior and continued use of the trademark 'APPEBON', the same have become well-known and established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent-Applicant's confusingly similar trademark on its goods will enable the latter to obtain benefit from Opposer's reputation, goodwill and advertising and will tend to deceive and/or confuse the public into believing that Respondent-Applicant is in any way connected with the Opposer.

"12. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent-Applicant of the trademark 'APPETON'. In support of the foregoing, the instant Opposition is herein verified by Mr. Dante Sibug which likewise serves as his affidavit (Nasser v. Court of Appeals, 191 SCRA 783 [1990]).

The Opposer's evidence consists of copies of pertinent pages of the IPO E-Gazette released on 1 September 2009; copies of the decision dated 17 December 2008 and the entry of judgment dated 02 March 2009; copies of the certificate of registration number 42788 and the certificate of renewal of registration; copies of the affidavits of use for the trademark "APPEBON 500"; a sample product box bearing the trademark "APPEBON 500"; and, a copy of the certificate of product registration issued by the BFAD for the mark "APPEBON".⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 15 February 2010. The Respondent-Applicant filed its Answer on 02 July 2010 alleging among other things:

xxx

"COUNTER ARGUMENTS/DISCUSSIONS AND AFFIRMATIVE DEFENSES

x x x

"14. At the outset, it should be pointed out that this case hinges upon one crucial issue-are the marks 'APPETON' and 'APPEBON 500' confusingly similar? Clearly, they are not.

⁴Marked as Exhibits "A" to "J", inclusive.

"15. A perusal of the competing marks would reveal, all too clearly, that they are visually and aurally distinct and different from each other.

"16. It should be pointed out that there are distinct elements present in the competing marks that would clearly distinguish them from each other, among them the presence of the element '500' in Opposer's mark.

"17. It should be pointed out that the mark 'APPETON' has already been examined by the Bureau of Trademarks which concluded that it is registrable and is NOT confusingly similar to 'APPEBON 500'.

"18. In the case of Etepha, A.G. vs. Dir. of Patents and Westmont Pharmaceuticals (decided on March 31, 1966), the Honorable Supreme Court made the following pronouncements, when it ruled that the marks 'PERTUSSIN' and 'ATUSSIN' are NOT confusingly similar, to wti:

x x x

"19. It is worth mentioning that the similarity in sound exists between PERTUSSIN and ATUSSIN and 'APPETON' and 'APPEBON 500', yet the Supreme Court ruled that the former are NOT confusingly similar. Consequently, the same conclusion should also be reached in the case of latter.

"20. Furthermore, it should be mentioned that PERTUSSIN and ATUSSIN both belong to the same class, namely Class 5, whereas in the case of 'APPETON' and 'APPEBON 500', they belong to different Classes, namely Class 5 and 29.

x x x

"21. As was pointed out that the competing marks covers different classes of goods rendering the likelihood of confusion impossible.

"22. Opposer's mark 'APPEBON 500' covers goods under Class 5, more specifically for medicinal preparations whereas Respondent-Applicant's mark 'APPETON' covers goods under Class 29 more specifically for milk powder and other dairy products.

"23. Clearly, the fact that the competing marks cover substantially different and divergent goods render the likelihood of confusion extremely unlikely if not flat out impossible.

"24. It is also worth mentioning that medicinal preparations are sold in drugstores whereas milk powder and dairy products are sold in supermarkets-completely different channels of trade.

"25. Furthermore, buyers of medicinal drugs, having concern for their health, are informed buyers and would not be easily confused that milk products is the same is medicinal drugs.

"26. It should be pointed out that Opposer's 'APPEBON 500' mark is being used for prescription medications or drugs which are available only by prescription-rendering the possibility of confusion absolutely impossible. Attached herewith and collectively marked as Exhibit 2 are website print-outs of

Opposer's website clearly showing that its 'APPEBON 500' mark is being used exclusively for RX or prescription drugs.

"27. In the case of Faberge Inc. vs. IAC and CO Beng Kay (decided by the Supreme Court on November 4, 1992), the Honorable Supreme Court made the following pronouncements, to wit:

x x x

"28. In the aforementioned case, the Honorable Supreme Court ruled that the marks 'BRUTE' used for Briefs is NOT confusingly similar to 'BRUT' being used for after-shave, lotion and/or deodorant.

"29. Clearly, and following the aforementioned jurisprudential guideposts, a similar conclusion is inescapable in the case at bar- that the marks 'APPEBON 500' being used for medicinal preparations is NOT confusingly similar to the mark 'APPETON' being used for milk powder and dairy products.

"30. Finally, it is also worth mentioning that Respondent-Applicant's 'APPETON' mark has already been previously registered with the Philippine Intellectual Property Office also for goods under Class 29, more specifically for 'milk, milk powder, milk beverages, milk based food beverages; soya-based food beverages; whey-based food beverages; buttercream, cream' covered by TM Registration No. 4-2006-003829. A copy of said TM Registration is attached hereto
x x x

"31. Respondent-Applicant's mark is likewise registered for goods under Class 30, more specifically for 'sweets and confectionary' under TM Registration No. 4-2008-015343. A copy of said TM Registration is hereto attached x x x

"32. Clearly, the fact that Respondent-Applicant's mark has already been registered with the Philippine IP Office for goods in various classes, including Class 29 is conclusive proof that the same is registrable and is NOT confusingly similar to any mark with prior or pre-existing rights.

The Respondent-Applicant's evidence consists of the secretary's certificate appointing the law firm of DEL ROSARIO BAGAMASBAD & RABOCA to file the Verified Answer for and in behalf of Respondent-Applicant and/or to represent Respondent-Applicant in connection with this opposition case; printouts of Opposer's website www.unilab.com.ph ; a copy of TM registration no. 4-2006-003829 for the mark APPETON WEIGHT GAIN & DEVICE; a copy of TM registration no. 4-2008-015343 for the mark APPETON & DEVICE and, the affidavit-direct testimony of Piong Teck Onn, Managing Director of KOTRA PHARMA (m) SDN.BHD.⁵

The Preliminary Conference was terminated on 23 September 2010. Then after, the Opposer and Respondent-Applicant submitted their respective position papers.

⁵Marked as Exhibits "1" and "5".

Should the Respondent-Applicant be allowed to register the trademark APPETON and DEVICE?

The Opposer anchors its opposition on Sections 123.1, paragraph (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

Sec. 123.Registrability. - 123.1. A mark cannot be registered if it:

x xx

(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;"

Records show that the Opposer filed a trademark application for APPEBON 500 on 20 May 1985 which covers medicinal preparation for use as appetite normalize under Class 05. The application matured into a registration and a Certificate of Registration No. 42788 was issued on 24 January 1989. On the other hand, the Respondent-Applicant filed the contested trademark application on 18 February 2009.

The marks are shown below:

Appemon 500

Opposer's trademark

APPETON

Respondent-Applicant's mark

Although the contending marks have the same number of letters and syllables, there are other essential features in the Respondent-Applicant's. The word APPETON is within two parallel lines in a rectangular frame and is written in upper case. For the Opposer's, the number 500 accompanies the word APPEBON with only the first letter written in upper case. More importantly, while there may be some resemblance between the two marks, this Bureau finds that the conclusion or deception is unlikely to occur in this instance. The goods covered by the Opposer's mark are different from those indicated in the Respondent-Applicant's trademark application. Opposer's goods are medicinal preparation under Class 05 which are commonly dispensed and/or sold in drug stores while Respondent-Applicant's goods consist of ordinary food products,

specifically, milk powder and dairy, under Class 29. Parties' respective goods are so distinct from another in kind, nature and purpose, and disposition and consumption.

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.⁶ This Bureau finds that the Respondent-Applicant's mark sufficiently serves this function.

WHEREFORE, premises considered, the instant Opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2009-001767 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 17 June 2015.


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

⁶Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.