



ALLERGAN, INC.,
Opposer,

-versus-

PHARMA-REX INCORPORATED,
Respondent-Applicant.

} **IPC No. 14-2012-00220**
}
} Opposition to:
} Application No.4-2011-012031
} Date filed: 06 October 2011
} **TM: "ALLERGONE"**

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NOTICE OF DECISION

BARANDA & ASSOCIATES

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PHARMA-REX INCORPORATED

Respondent-Applicant
137 Yakal Street, San Antonio Village
Makati City

GREETINGS:

Please be informed that Decision No. 2015 - 140 dated June 29, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 29, 2015.

For the Director :

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



ALLERGAN, INC.

Opposer,

-versus-

PHARMA-REX INCORPORATED,

Respondent-Applicant.

IPC No. 14-2012-00220

Opposition to:

Application No. 4-2011-012031

Date Filed: 06 October 2011

Trademark: "ALLERGONE"

Decision No. 2015- 140

DECISION

ALLERGONE, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-012031. The application, filed by Pharma-Rex Incorporated² ("Respondent-Applicant"), covers the mark "ALLERGONE" for use as "treatment for perennial and seasonal allergic rhinitis, urticari and other allergic dermatological disorders" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"GROUNDS FOR OPPOSITION

"3. The Opposer will be damaged by the registration of the Application and respectfully submits that the Application should be denied for the reasons set forth below.

x x x

"4. The Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines ('IP Code');

x x x

"5. Both the Philippines and U.S.A., where the Opposer was organized and registered, are members of the Paris Convention for the Protection of Industrial Property and the WTO TRIPS Agreement. The Paris Convention provides:

x x x

"6. ALLERGAN is the Opposer's trade name and the registration of the application would be contrary to Section 165.2(a) and (b) of the IP Code which provides that:

¹A foreign corporation organized and existing under the laws of the U.S.A., with address at 2525 Dupont Drive, Irvine, California 92612, U.S.A.

²With address at 137 Yakal Street, San Antonio Village, Makati City.

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.

x x x

"7. The Opposer is the registered owner of ALLERGAN trademarks in the Philippines, and is therefore entitled to the exclusive use of the mark. Section 138 of the IP Code states:

x x x

"8. The registration of the Application violates Section 123.1 (d), (e) and (f) of the IP Code which expressly prohibit the registration of a mark if it is:

x x x

"ARGUMENTS

"31. The Respondent-Applicant ALLERGONE mark is similar to the Opposer's ALLERGAN mark visually and phonetically. Only 2 letters of the Respondent-Applicant's mark are different, namely the letters 'O' and 'E'. However, as the letter 'O' is pronounced as 'A' and the letter 'E' is not pronounced, ultimately, the 2 marks are identical. Given the similarities, consumers could be confused between the two marks or at least assume a connection between the two, when none exists.

"32. In determining confusing similarity between the trademarks, jurisprudence has developed two tests: the Dominancy Test and the Holistic or Totality Test -

x x x

"33. Recent cases have tended to rely on the Dominancy Test and in McDonald's Corporation vs. L.C. Big Mak Burger, Inc., the Supreme Court recognized that the Dominancy Test 'is now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code which defines infringement as the 'colorable imitation of a registered mark or a dominant feature thereof.'

"34. In the present case, consumers' attention would most likely gravitate towards the initial syllables of the subject marks: ALLERGA which are practically identical. They are distinctive, easily remembered parts of the marks which consumers would remember.

x x x

"35. The goods covered by Respondent-Applicant's mark are similar and flow in the same channels of trade as that of Opposer's mark. The risk of confusion is aggravated by the fact that Opposer's ALLERGAN mark and products have been in the market for many years and has established a strong reputation in the medical and pharmaceutical market. The Opposer and the ALLERGAN mark are behind well known brands such as BOTOX, JUVEDERM and REFRESH to name a few. As the registered owner of the ALLERGAN mark, Opposer has the right to be protected against similar marks used on the same or related goods or services.

"36. Trademarks and trade names are different forms of intellectual property. Each form is entitled to different levels of protection.

x x x

"37. Laws on trademarks and trade names are meant to protect its owners from unfair business practices of third parties who, by adopting a mark that is similar to the trademark owner's, take advantage of and unfairly benefit from the prior mark's goodwill. In *La Chemiste Lacoste, S.A. vs. Fernandez*, the Supreme Court stated:

x x x

"38. As the Opposer has both trademark and trade name protection over the mark ALLERGAN, the rights to prevent third parties to use a mark identical or similar to ALLERGAN is intensified. A trade name shall be protected, even prior to or without registration, against any unlawful act committed by third parties. In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful. The adoption by the Respondent-Applicant of a mark similar to Opposer's trade name ALLERGAN which misleads the public is therefore unlawful.

"39. It must be emphasized that Opposer's ALLERGAN brand traces its history as far back as 1950 and has enjoyed continuous goodwill throughout the years. In contrast, Respondent-Applicant only filed the application for the ALLERGONE mark in 2011. As the prior user and registered owner of the trade mark and trade name ALLERGAN, the Opposer is entitled to protection against registration and use by third parties of confusingly similar marks such as Respondent-Applicant's ALLERGONE mark.

"40. The Opposer not only has prior trademark rights but also trade name rights over the mark ALLERGAN and is entitled to defend from intrusions upon such rights made by Respondent-Applicant. For the reasons set forth above, the Application should therefore be rejected for being confusingly similar to the Opposer's registered ALLERGAN trademarks.

The Opposer's evidence consists of the verified notice of opposition; power of attorney confirming the appointment of Atty. Claire B. Corral; the affidavit of Opposer's authorized representative, Debra D. Condino; the Opposer's history printed from <http://www.allergan.com/about/history.htm>; website printout from <http://www.pharmalive.com/magazines/medad/view.cfm?asticleID=8297> showing Opposer's award as the "most admired specialty pharmaceutical company" in 2004; Opposer's overview and Fast Facts printed from http://www.allergan.com/newsroom/fact_facts.htm; Opposer's Statement of Promotional Expenses of ALLERGAN products in the Philippines; photo of Opposer's promotional material for "BOTOX"; photo of Opposer's bag as promotional material; photo of calendar as Opposer's promotional material; photo of Opposer's free sample of ophthalmic solution (drops); photos of Opposer's products; photos of Opposer's promotional material; Opposer's Sales Report from 2007 -2011; list of Opposer's trademark registrations and applications worldwide; United States Registration No. 1,740,803 for ALLERGAN issued on 22 December 1992; Philippine Registration No. 4-2000-001063 for ALLERGAN issued on 14 December 2003; Philippine Registration No. 4-2001-000086 for ALLERGAN issued on 19 December 2005; Philippine Registration No.

4-2006-009183 for ALLERGAN issued on 30 April 2007; Philippine Registration No. 4-2007-003492 for TOTAL FACIAL REJUVENATION ALLERGAN issued on 13 October 2008; Philippine Registration No. 4-2007-003493 for THE SCIENCE OF REJUVENATION ALELRGAN AND DEVICE issued on 7 January 2008; Philippine Registration No. 4-2010-002513 for ALLERGAN ACADEMY issued on 9 December 2010; and, Philippine Registration No. 4-2010-002517 for ALLERGAN issued on 2 September 2010.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 20 September 2012. Said Respondent-Applicant, however, did not file an Answer.

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

It is emphasized that 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.⁵

Thus, Sec. 123.1 (d) and Sec. 165 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provide:

Sec. 123. Registrability. - 123.1. 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;"

Sec. 165. *Trade Names or Business Names.* - 165.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

165.2.(a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

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

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepe 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).

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

165.3. The remedies provided for in Sections 153 to 156 and Sections 166 and 167 shall apply mutatis mutandis.

165.4. Any change in the ownership of a trade name shall be made with the transfer of the enterprise or part thereof identified by that name. The provisions of Subsections 149.2 to 149.4 shall apply mutatis mutandis.

Records show that at the time the Respondent-Applicant filed its trademark application on 06 October 2011, the Opposer has an existing trademark registration for ALLERGONE under Certificate of Registration No. 4-2000-001063 issued on 14 December 2003. The registration covers pharmaceutical formulations, namely, topical antibiotics, anti-inflammatory, anti-infective, anti-glaucoma and decongestant formulations; solutions for use during ophthalmic surgery; sterile ointments; ocular wetting solutions, artificial tears and formulations for the treatment of minor ocular inflammations and allergic conditions; sterile ophthalmic saline solutions; contact lens cleaning, disinfecting, wetting, cushioning, storing, soaking and/or rinsing formulations in solution or tablet form; pharmaceutical formulations for the therapeutic treatment of neurological disorders and muscle dystonias; dermatological formulations, namely, medicated dry skin lotions and creams, acne medications and medicated skin lighteners; pharmaceuticals for the treatment of actinic keratosis, seborrhea and psoriasis; medicated shampoos and sunscreen preparations, in class 5. This Bureau noticed that the goods indicated in the Respondent-Applicant's trademark application, i.e. for the treatment of perennial and seasonal allergic rhinitis, urticari and other allergic dermatological disorders under Class 05, are closely-related to the Opposer's.

A comparison of the competing marks reproduced below:

ALLERGAN **Allergone**

Opposer's trademark

Respondent-Applicant's mark

shows that confusion is likely to occur. This Bureau noticed that the pharmaceutical products covered by the marks are both medicinal preparations for anti-allergy. Both marks have the same number of syllables: /AL/LER/GAN/ for Opposer's and /AL/LER/GONE for Respondent-Applicant's. Although both have the same first two (2) syllables /AL/LER, Opposer can not exclusively appropriate the first two syllables

as ALLER is taken from ALLERGY. The last syllable GAN in Opposer's is confusingly similar to the last syllable of Respondent-Applicant's mark GONE. Both marks used the combination of ALLER and adding one syllable after. Hence, a mistake in the dispensation of drugs is possible. Likewise, it could result to mistake with respect to perception because the marks sound so similar. Under the idem sonans rule, the following trademarks were held confusingly similar in sound: "BIG MAC" and "BIG MAK"⁶, "SAPOLIN" and LUSOLIN"⁷, "CELDURA" and "CORDURA"⁸, "GOLD DUST" and "GOLD DROP". The Supreme Court ruled that similarity of sound is sufficient ground to rule that two marks are confusingly similar, 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...."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.⁹


Also, Opposer has been using ALLERGAN not only as a trademark but also as trade name or business name. As a trade name, ALLERGAN is protected under Section 165 of the IP Code.

There is no doubt, therefore, that the subject trademark application is covered by the proscription under Sec. 123.1 (d) and Section 165 of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2011-012031 is hereby SUSTAINED. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 29 June 2015.


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

⁶ *MacDonalds Corp, et. al v. L. C. Big Mak Burger* .G.R. No. L-143993, 18 August 2004.

⁷ *Sapolin Co. v. Balmaceda and Germann & Co,m* 67 Phil. 705.

⁸ *Co Tiong SA v. Director of Patents*, G.R. No. L- 5378, 24 May 1954; *Celanes Corporation of America vs. E. I. Du Pont de Nemours & Co.* (1946), 154 F. 2d 146 148.)

⁹ *Morvex Commerical Co., Inc. v.Petra Hawpia & Co., et. al.*, G.R. No. L-19297,22 Dec. 1966.