



NATRAPHARM INC.,
Opposer,

-versus-

ZUNECA INCORPORATED,
Respondent-Applicant.

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} IPC No. 14-2014-00527
}
} Opposition to:
} Appln. Serial No. 4-2014-00011001
} Date Filed: 03 September 2014
} TM: "ZYNAPS"
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}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 194 dated September 18, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 18, 2015.

For the Director:

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



NATRAPHARM, INC.,
Opposer,

versus-

ZUNECA INCORPORATED,
Respondent-Applicant.

x-----x

IPC NO. 14-2014-00527

Opposition to:
Appln. Ser. No. 4-2014-0011001
Filing Date: 03 September 2014
Trademark: ZYNAPS

Decision No. 2015 - 194

DECISION

NATRAPHARM, INC.,¹ ("Opposer") filed on 12 September 2012 a Verified Opposition to Trademark Application No. 4-2014-0011001. The application, filed by ZUNECA INCORPORATED² ("Respondent-Applicant") covers the mark ZYNAPS for use on "pharmaceutical products for neuropathic pain and seizures" under Class 05 of the International Classification of goods³.

The Opposer alleges the following grounds:

"a. ZYNAPS is nearly identical to Opposer's earlier registered trademark, ZYNAPSE. Hence, under Section 123.1 (d) and Section 147.1 of the IP Code, ZYNAPS is no longer registration-eligible.

"b. Confusing similarity between ZYNAPS and ZYNAPSE presents a dangerous kind of public confusion. While under 123.1 (g) the likelihood of confusion prevents registration of ZYNAPS, the confusion involved is one which results in the continuing problem of medicine switching whereby patients needing ZYNAPSE will erroneously ingest ZYNAPS medicine and vice-versa, and thus, there is more urgency to deny the registration of ZYNAPS.

"c. There is binding and subsisting injunction against Respondent-Applicant from using and adopting ZYNAPS. The filing therefore of the subject application is a filing in bad faith, being an act of violation of the injunction.

"d. ZYNAPS for goods falling in Class 05 will dilute and whittle away the famousness of the ZYNAPSE mark, which has already been sold in millions of pesos in the Philippines. It should not be allowed registration to prevent Trademark Dilution as defined in *Levi Strauss & Co. & Levi Strauss (Phils.) Inc. vs. Clinton Apparelle, Inc.*"

The Opposer's evidence consists of the following:

1. Exhibit "A" - Affidavit of Christina L. Ravelo;
2. Exhibit "B" - Corporate Secretary's Certificate executed by Rudi P. Runes, Jr.;
3. Exhibit "C" - Photographs of Natrapharm, Inc.'s ZYNAPSE products;

¹ A corporation duly organized and existing under the laws of the Philippines with principal office located at Km. 18 West Service Road, South Luzon Expressway, Parañaque City.

² A domestic corporation with office address at 86 K-6th Street, East Kamias, Quezon City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on the 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 Purpose of the Registration of Marks concluded in 1957.

4. Exhibits "D" to "D-3" - Audited Financial Statements of Natrapharm, Inc. from 2010-2013;
5. Exhibits "E" - Printout of Opposer's website found at www.natrapharm.com;
6. Exhibit "F" - Affidavit of Jan Abigail Ponce;
7. Exhibit "G" - Certificate of Trademark Registration No. 4-2007-05596 for ZYNAPSE;
8. Exhibit "H" - A copy of the Handbook on Pharmacovigilance;
9. Exhibit "I" - Affidavit of Christina Ravelo;
10. Exhibit "J" - Certified true copy of the Articles of Incorporation of Natrapharm, Inc.;
11. Exhibit "K" - Printout of www.natrapharm.com;
12. Exhibit "L" - Certified true copy of Registration No. 4-2007-005596;
13. Exhibits "M" to "M-4" - Certified true copies of Product Registrations issued by the BFAD for ZYNAPSE;
14. Exhibits "N" to "N-4" - Samples of each ZYNAPSE variants;
15. Exhibits "N-5" to "N-8" - Sales Receipts covering purchase of ZYNAPSE products;
16. Exhibits "O" to "O-9" - marketing and advertsing materials of ZYNAPSE;
17. Exhibit "P" - List of Natrapharm marketing events and gathering;
18. Exhibits "Q" and "Q-1" - Photographs taken during marketing events and gathering of Opposer;
19. Exhibit "R" - places and establishment in the Philippines where ZYNAPSE is being sold;
20. Exhibit "S" - Database printout of the sales of ZYNAPSE nationwide in 2008;
21. Exhibit "T" - Certified true copy of Opposer's Audited Financial Statement;
22. Exhibit "U" - Certified true copy of the Court of Appeals Decision dated 18 April 2011 in C.A. G.R. SP. No. 103333; and
23. Exhibit "V" - Certified true copy of the Regional Trial Court's Decision in Civil Case No. Q-07-6156 dated 02 December 2011.

This Bureau issued on 11 February 2015 a Notice to Answer and served to the Respondent-Applicant's address on 02 March 2015. The Respondent-Applicant, however, did not file the Answer. On 10 July 2015, Order No. 2015- 1003 was issued declaring Respondent-Applicant in default. Accordingly, pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended, the case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer.

Should the Respondent-Applicant be allowed to register the mark "ZYNAPS"?

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, Sec. 123.1 (d) of the 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.

The records show that at the time the Respondent-Applicant filed its application for the mark ZYNAPS on 03 September 2014, the Opposer already has an existing registration for the

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

trademark ZYNAPSE issued on 15 October 2007. Respondent-Applicant's mark ZYNAPS is used on "medicinal preparation for use as antibacterial" under Class 05 while that of Opposer's is used on "pharmaceutical medicine for human use" also under Class 05. The goods, therefore, are used on similar or closely related goods.

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

ZYNAPSE

ZYNAPS

Opposer's Mark

Respondent-Applicant's Mark

There is no doubt that Opposer's and Respondent-Applicants marks are confusingly similar. Confusion is likely in this instance because of the resemblance of the competing trademarks. Both marks contain almost the same letters except the letter "E" in Opposer's mark which was omitted in Respondent-Applicant's mark such that there is no appreciable disparities between the two marks so as to avoid the likelihood of confusing one for the other. Although Respondent-Applicant's application for registration of its mark explained that ZYNAPS stands for " Zuneca's N -Neuropathic pain, A - nd, P -for, S - seizures, the same does not veer away from the likelihood of confusion to Opposer's mark because what is visible and audible is the word ZYNAPS. Trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing. Thus, 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.

Confusion cannot be avoided by merely adding, removing or changing some 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 other⁵. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark or trade name with that of the other mark or trade name in their over-all presentation or in their essential, substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article⁶.

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.⁷ The likelihood of confusion would subsist not only on the purchaser's perception of goods but on

⁵ See *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217.

⁶ See *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.

⁷ See *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

the origins thereof as held by the Supreme Court:⁸

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 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.

It has been held time and again that in cases of grave doubt between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favour with the public, any doubt should be resolved against the newcomer in as much as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.⁹

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. 4-2014-0011001, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 18 September 2015.


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

⁸ See *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

⁹ See *Del Monte Corporation et. al. v. Court of Appeals*, GR No. 78325, 25 Jan. 1990.