



NOVARTIS AG,
Opposer,

-versus-

METROLINK PHARMA PHILS., INC.,
Respondent-Applicant.

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} IPC No. 14-2015-00099
} Opposition to:
} Appln. Serial No. 4-2014-00006277
} Date Filed: 20 May 2014
} TM: "PEDIAZITH"
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NOTICE OF DECISION

E. B. ASTUDILLO & ASSOCIATES

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

METROLINK PHARMA PHILS. INC.

Counsel for Respondent-Applicant
Suite 2002, 20th Floor Prestige Tower Bldg.
Emerald Avenue, Ortigas Center
Pasig City

GREETINGS:

Please be informed that Decision No. 2015 - 224 dated October 22, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 22, 2015.

For the Director:


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



NOVARTIS AG,	}	IPC No. 14-2015-00099
Opposer,	}	Opposition to:
	}	
-versus-	}	Application No. 4-2014-00006277
	}	Date Filed: 20 May 2014
METROLINK PHARMA PHILS., INC.,	}	
Respondent-Applicant.	}	Trademark: PEDIAZITH
x-----x		Decision No. 2015 - 224

DECISION

NOVARTIS AG¹ ("Opposer") filed a Verified Notice of Opposition to Trademark Application No. 4-2014-00006277. The contested application, filed by METROLINK PHARMA PHILS., INC.² ("Respondent-Applicant"), covers the mark PEDIAZITH for use on "pharmaceutical products for antibiotics" under Class 5 of the International Classification of goods³.

The Opposer anchors its opposition on the following grounds:

"10. The mark PEDIAZITH being applied for by respondent-applicant is confusingly similar to opposer's mark AZYTH covered by Certificate of Registration No. 9510 as to likely, when applied to or used in connection with the goods of respondent-applicant, cause confusion, mistake and deception on the part of the purchasing public.

"11. The registration of the trademark PEDIAZITH 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 (IP Code), 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

"12. The registration and use by respondent-applicant of the mark

- 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 duly organized and existing under and by virtue of the laws of the Philippines with address at Suite 2002 20th Floor Prestige Tower Building, Emerald Avenue, Ortigas Center, Pasig City.
- 3 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.

PEDIAZITH will diminish the distinctiveness and dilute the goodwill of opposer's trademark AZYTH.

"13. The registration of the mark PEDIAZITH in the name of respondent-applicant is contrary to other provisions of the IP Code of the Philippines."

In support of the opposition, the Opposer alleges, among other things, the following facts:

"I. Respondent-Applicant's mark PEDIAZITH, being applied for registration, is confusingly similar to Opposer's 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.

"14. Opposer's mark AZYTH and Respondent-Applicant's mark PEDIAZITH are confusingly similar with each other since:

a. Opposer's mark AZYTH is wholly contained in the published mark PEDIAZITH. The words AZYTH and AZITH, despite the difference in the third letter, are phonetically the same. Appeals to the ear of the words PEDIAZITH and AZYTH are very similar. Therefore, confusion to the public is very likely to happen.

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

c. While there is a slight difference in the two marks from a strictly visual perspective, it does not negate confusing similarity. The test of confusing similarity which would preclude the registration of a trademark is not whether the challenged mark would actually cause confusion, mistake or deception in the minds of the purchasing public but whether the use of such mark would likely cause confusion or mistake. The law does not require that the competing marks must be so identical as to produce actual error or mistake. It is sufficient that the similarity between the two marks be such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.

d. Both marks are word marks in plain lettering. There are no stylized letterings to distinguish one from the other; nor are there any unique device accompanying the words.

"16. In the case of the Opposer's mark AZYTH, and the Respondent-Applicant's mark PEDIAZITH, the marks are identical except for the first four (4) letters and the seventh (7th) letter of the Respondent-Applicant's mark. The aforementioned difference, however, does not sufficiently distinguish the two marks from each other as they are similar in both sound and appearance. As

such, the two (2) marks are, for all intents and purposes, practically identical and confusingly similar. It is very easy to mistake Respondent-Applicant's products bearing the mark PEDIAZITH for Opposer's goods bearing the mark AZYTH. Hence, the use and registration of the mark PEDIAZITH will create confusion, mistake and deception in the minds of the purchasing public.

x x x

"22. The reasoning in the McDonald's case applying the Dominancy Test is relevant in the instant case. The dominant feature in the Opposer's mark AZYTH is the mark itself. Opposer's mark AZYTH is wholly contained in the published mark PEDIAZITH. The difference in the first four (4) letters and the seventh (7th) letter of the Respondent-Applicant's mark does not sufficiently distinguish it from Opposer's mark as the two (2) marks are very much similar in sound and appearance. As such, the marks are, for all intents and purposes, practically identical and confusingly similar. It is very easy to mistake Respondent-Applicant's products bearing the mark PEDIAZITH for Opposer's goods bearing the mark AZYTH.

"II. The goods covered by Respondent-Applicant's mark PEDIAZITH are similar to and competing with the goods covered by Opposer's mark AZYTH such that Respondent-Applicant's use of its mark will most likely cause confusion in the minds of the purchasing public.

"23. Respondent-Applicant's mark and Opposer's mark cover similar goods under International Class 5.

Respondent-Applicant's mark PEDIAZITH covers the goods namely:

"Pharmaceutical products for antibiotics"

while Opposer's mark AZYTH covers:

"Pharmaceutical, veterinary and sanitary preparations. Dietetic substances adapted for medical use, food for babies. Platers, materials for dressings. Material for stopping teeth, dental wax."

"24. Evidently, both sets of goods are closely-related, if not similar, and fall under the same International Class 05. The confusion between pharmaceutical goods bearing the respective confusingly similar words PEDIAZITH and AZYTH is therefore more likely and pronounced.

"25. Both goods are sold in the same channels of business and trade, i.e. hospitals, pharmacies, doctor's clinics, health centers and the like. Hence, the potential confusion on the consuming public is greater. In view of the similarity of the covered goods, the purchasing public will most likely be deceived to purchase the goods of Respondent-Applicant labeled PEDIAZITH in the belief that they are purchasing Opposer's products bearing the label AZYTH. This will thus result to damage to the public and to Opposer's business and goodwill over its products bearing the mark AZYTH.

x x x



"27. In view of the similarity of the covered goods under International Class 5, the purchasing public will most likely be deceived to purchase Respondent-Applicant's goods in the belief that they are purchasing Opposer's goods. This will thus result to damage to the public and to Opposer's established business and goodwill, which should not be allowed.

"III. Opposer, being the prior 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.

"29. In the Philippines, Opposer is the registered owner of the trademark AZYTH, as follows:

Registrant	:	Novartis AG
Trademark	:	AZYTH
Cert. of Regn. No.	:	9510
Date Issued	:	February 18, 2008
Appln. No.	:	4-2007-009510
Date Filed	:	August 30, 2007
Services	:	<i>Pharmaceutical, veterinary and sanitary preparations. Dietetic substances adapted for medical use, food for babies. Platers, materials for dressings. Material for stopping teeth, dental wax</i>
Class	:	5

"30. As the prior registrant, Opposer has the exclusive right to use the mark AZYTH in connection with the same or related goods and/or services. x x

"32. Therefore, as the prior registrant and user of the mark AZYTH, Opposer possesses the rights conferred by Section 147.1 of the IP Code, in particular *"to prevent all third parties (i.e. Respondent-Applicant herein) not having the owner's consent (i.e. Opposer herein) from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered (i.e. AZYTH)"*

"33. Opposer, through its local subsidiaries Novartis Healthcare Phils. Inc and Sandoz Philippines Corp., has also registered its products bearing the mark AZYTH with the Bureau of Food and Drugs (BFAD), now Food and Drug Administration (FDA). x x x

"34. The trademark AZYTH was first used in Bangladesh in may 1998 for an azithromycin product. It has been used as early as February 2007 in the Philippines. x x x

"36. By virtue of Opposer's prior registration and use of the trademark AZYTH in the Philippines, said trademark has become distinctive of Opposer's goods and business.

"37. A boundless choice of words, phrases and symbols is available to a person who wishes to have a trademark sufficient unto itself to distinguish its products from those of others. There is no reasonable explanation therefore for

Respondent-Applicant to use the word PEDIAZITH when the field for its selection is so broad. Respondent-Applicant obviously intends to maliciously trade and is maliciously trading on Oppose's goodwill.

x x x

"40. Indubitably, the registration and use of the trademark PEDIAZITH by Respondent-Applicant will deceive and/or confuse purchasers into believing that Respondent-Applicant's goods and/or products bearing the trademark PEDIAZITH emanate from or are under the sponsorship of Opposer Novartis AG, owner/registrant of the trademark AZYTH. This will therefore diminish the distinctiveness and dilute the goodwill of Opposer's trademark.

In view of the foregoing, Opposer's mark AZYTH which is legally protected under Philippine law bars the registration in the Philippines of the confusingly similar mark PEDIAZITH of Respondent-Applicant Metrolink Pharma Phils. Inc."

The Opposer's evidence consists of the following:

1. Copy of Certificate of Registration No. 4-2007-009510 for the mark AZYTH issued by the Intellectual Property Office of the Philippines;
2. Copy of the Certificate of Product Registration No. DR-XY32518 issued by the Food and Drug Administration for AZYTH;
3. Copy of the Certificate of Product Registration No. DR-XY32519 issued by the Food and Drug Administration for AZYTH;
4. Product packaging of goods bearing the mark AZYTH (box);
5. Product packaging of goods bearing the mark AZYTH (250 mg);
6. Product packaging of goods bearing the mark AZYTH (500 mg);
7. Copy of purchase order of the product bearing the mark AZYTH;
8. Copy of invoice of the product bearing the mark AZYTH;
9. Certified true copy of Corporate Secretary's Certificate dated 10 May 2012;
10. Notarized and legalized Joint Affidavit-Testimony of witnesses Susanne Groeschel-Jofer and Andrea Felbelmeir dated 23 March 2015; and
11. Novartis AG's Annual Report for the year 2014.⁴

This Bureau issued and served a copy of the Notice to Answer upon the Respondent-Applicant on 29 April 2015. The Respondent-Applicant, however, failed to file its Answer. Thus, Order No. 2015-1102 was issued on 30 July 2015 declaring the Respondent-Applicant in default and submitting the case for decision.

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

Sec. 123.1 (d) of R. A. No. 8293, otherwise known as the Intellectual Property Code of the Philippines ("IP Code"), relied upon by the Opposer, provides that 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:

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

- (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

In this regard, records and evidence show that at the time the Respondent-Applicant filed its trademark application on 20 May 2014, the Opposer has already an existing registration (No. 4-2007-009510) for AZYTH issued on 18 February 2008. 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, dental wax*". The coverage of the Opposer's trademark registration is broad enough to include antibiotics or antibacterial. The Respondent-Applicant's trademark application, on the other hand, indicated usage of PEDIAZITH for "*pharmaceutical products for antibiotics*".

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

AZYTH

Opposer's mark

PEDIAZITH

Respondent-Applicant's mark

A scrutiny of the Respondent-Applicant's mark readily shows that PEDIAZITH is invented or coined from the word "*pediatric or pediatrician*" and from the generic name "*azithromycin*". While it is admittedly suggestive of the nature or kind of the product or good it covers, the Respondent-Applicant's "AZITH" when combined with the prefix "PEDIA" makes it distinctive and distinguishable from that of the Opposer's AZYTH. Confusion, therefore, is very unlikely.

The Opposer's mark AZYTH, on the other hand, may also be inferred to have been derived from the word "*azithromycin*". The sample product packagings⁵ submitted by the Opposer itself indicates the generic name of the product as "*azithromycin*". Aptly, in several decisions⁶ rendered by this Bureau involving the mark AZYTH, this Bureau ruled, to wit:

"There is sufficient reason to infer or conclude that the seemingly similar syllables "a/zyth" and/or "a/zi" are derived from the generic word "azithromycin" which is the product covered by the Opposer's and the 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 "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."

⁵ Exhibits "D", "E" and "F".

⁶ Decision No. 2013-209 dated 23 October 2013, Decision No. 2015-85 dated 08 May 2015 and Decision No. 2015-179 dated 10 September 2015.

Thus, the Opposer cannot claim confusion on the basis solely of its registration over the mark AZYTH. As has been said, 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.⁷ To reiterate, the addition of the word "PEDIA" in the Respondent-Applicant's "AZITH" makes a fine distinction, visually and aurally, from the Opposer's AZYTH. It is unlikely that a consumer will be confused, much more deceived into believing that Respondent-Applicant's goods originate from the Opposer's and vice versa.

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

WHEREFORE, premises considered, the opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2014-00006277 be returned, together with a copy of this Decision, to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 22 October 2015.


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

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