



UNITED LIFE SCIENCES PTY. LTD.,
Opposer,

-versus-

DIAMOND LABORATORIES, INC.,
Respondent-Applicant.

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} IPC No. 14-2014-00064
} Opposition to:
} Appln. Serial No. 4-2013-00008205
} Date Filed: 07 December 2013
} TM: "CARBOCISTEINE OFLEM"
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NOTICE OF DECISION

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Counsel for the Opposer
No. 66 United Street
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DIAMOND LABORATORIES, INC.
Respondent-Applicant
8 FERIA Road, Commonwealth Avenue
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GREETINGS:

Please be informed that Decision No. 2015 - 138 dated November 02, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, November 02, 2015.

For the Director:

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



UNITED LIFE SCIENCES PTY. LTD.,
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 -versus-
 DIAMOND LABORATORIES, INC.,
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IPC No. 14-2014-00064

Opposition to:
 Application No. 4-2013-00008205
 Date Filed: 07 December 2013
 Trademark: "CARBOCISTEINE
 OFLEM"

Decision No. 2015- 238

DECISION

UNITED LIFE SCIENCES PTY. LTD.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2013-00008205. The application, filed by Diamond Laboratories Inc.²("Respondent-Applicant"), covers the mark "CARBOCISTEINE OFLEM" for use as "a mucolytic that reduces the viscosity of sputum to help relieve the symptoms of chronic obstructive pulmonary disorder (COPD) and bronchietasis" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"GROUNDS FOR OPPOSITION

"The grounds for this Verified Notice of Opposition are as follows:

"7. The mark 'OFLEM' filed by Respondent-Applicant so resembles the trademark 'EXFLEM' owned by Opposer and duly registered with the IPO.

"8. The mark 'OFLEM' will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed mark is applied for the same class and goods as that of Opposer's trademark 'EXFLEM', i.e. Class 05 of the International Classification as Pharmaceutical Preparation for Cough Relief.

"9. The registration of the mark 'OFLEM' in the name of the Respondent-Applicant will violate Sec. 123 of the IP Code, which provides, in part, that a mark cannot be registered if it:

x x x

¹A foreign corporation duly organized and existing under the laws of Singapore, with office address at No. 1 Sophia Road #08-01/04, Peace Center, Singapore 228149.

²A domestic corporation organized and existing under the laws of the Philippines with office address at #8 FERIA Road, Commonwealth Ave., Diliman, Quezon City, Philippines.

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.

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

"ALLEGATIONS IN SUPPORT OF THE OPPOSITION

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

"10. Opposer is the registered owner of the trademark 'EXFLEM'. It is engaged in the marketing and sale of a wide range of pharmaceutical products. The trademark application for the trademark 'EXFLEM' was filed with the IPO on 15 August 2011 and was approved for registration to be valid for a period of ten (10) years, or until 05 January 2022. Thus, the registration of the trademark 'EXFLEM' subsists and remains valid to date. A certified true copy of the Certificate of Registration No. 4-2011-009659 for the trademark 'EXFLEM' is hereto attached x x x

"11. By virtue of the foregoing, there is no doubt that Opposer has acquired an exclusive ownership over the trademark 'EXFLEM' to the exclusion of all others. As provided in Section 138 of the IP Code, 'A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.'

"12. The registration of Respondent-Applicant's mark 'OFLEM' will be contrary to Section 123.1 (d) of the IP Code. 'OFLEM' is confusingly similar to Opposer's trademark 'EXFLEM'.

"12.1 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.

"12.1.1 In *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* (356 SCRA 207, 216 [2001]), the Supreme Court, citing *Ethepe v. Director of Patents* (16 SCRA 495, 497-498 [1966]), 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 side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity."

"12.1.2 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."

"12.1.3 Relative thereto, the Supreme Court in McDonalds' Corporation vs. L.C. Big Mak Burger, Inc. (437 SCRA 10, 32-33 [2004]) held:

x x x

"12.1.4 This was affirmed in McDonald's Corporation vs. MacJoy Fastfood Corporation (514 SCRA 95, 109 [2007]), which held that, '[t]he Court has consistently used and applied the dominance test in determining confusing similarity or likelihood of confusion between competing trademarks.'

"12.1.5 In fact, the dominance 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 xxx or a dominant feature thereof.'

"12.1.6 Thus, applying the dominance test in the instant case, it can be readily concluded that the mark 'OFLEM' owned by Respondent-Applicant so resembles Opposer's trademark 'EXFLEM' that it will likely cause confusion, mistake and deception on the part of the purchasing public.

"12.1.6.1 Respondent-Applicant's mark 'OFLEM' appears and sounds almost the same as Opposer's trademark 'EXFLEM';

"12.1.6.2 The last four letters of Respondent-Applicant's mark 'OFLEM' are identical with Opposer's trademark 'EXFLEM'.

"12.1.7 Clearly, the Respondent-Applicant's mark 'OFLEM' adopted the dominant features of the Opposer's trademark 'EXFLEM'.

"12.1.8 As further ruled by the High Court in the McDonald's Corporation case (supra, p. 33-34 [2004]):

x x x

"12.1.9 In American Wire & Cable Co., vs. Director of Patents (31 SCRA 544, 547-548 [1970]), the Supreme Court explained:

x x x

"12.2 Opposer's trademark 'EXFLEM' and Respondent-Applicant's mark 'OFLEM' are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.

"12.3 Thus, the two marks can easily be confused for one year over the other, most especially considering that the opposed mark 'OFLEM' is applied for the same class and goods as that of Opposer's trademark 'EXFLEM' under Class 05 of the International Classification of Goods as Pharmaceutical Preparations for Cough Relief.

"12.4 Opposer's intellectual property right over its trademark is protected under Section 147 of the IP Code, which states:

"12.5 'When, as in the present case, one applied for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and an established goodwill.' x x x

"13. To allow Respondent-Applicant to continue to market its products bearing the mark 'OFLEM' undermines Opposer's right to its trademark 'EXFLEM'. As the lawful owner of the trademark 'EXFLEM', 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.

"13.1 Being the lawful owner of the trademark 'EXFLEM', 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.

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

"13.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks cited in the McDonald's Corporation case (supra, p. 34), it is evident that Respondent-Registrant's mark 'OFLEM' is aurally confusingly similar to Opposer's trademark 'EXFLEM':

x x x

"13.4 Further, the fact that Respondent-Applicant seeks to have its mark 'OFLEM' registered in the same class (Nice Classification 05) as Opposer's trademark 'EXFLEM', coupled by the fact that both are Pharmaceutical Preparations for Cough Relief, will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

"14. The registration and use of Respondent-Applicant's confusingly similar mark 'OFLEM' on its goods will enable the latter to obtain benefit from Opposer's reputation and goodwill and will tend to deceive and/or confuse the public into believing that Respondent-Applicant is in any way connected with Opposer.

"14.1. As held in Sterling Products International, Inc. vs. Farbenfabriken Bayer Aktiengesellschaft, et. al. (27 SCRA 1214, 1227 [1968]) there are two types of confusion in trademark infringement. '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 be deceived either into that belief or into the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist.'

"14.2. The doctrine of confusion of business or origin is based on cogent reasons of equity and fair dealing. It has to be realized that there can be unfair dealing by having one's business reputation confused with another. 'The owner of a trademark or trade name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods.' (*Ang vs. Teodoro*, 74 Phil 50, 55-56 [1942]).

"14.3. Applying the foregoing to the instant case, to allow Respondent-Applicant to use its mark 'OFLEM' on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the product of Respondent-Applicant originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'EXFLEM' product of Opposer, when such connection does not exist.

"14.4. In *Canon Kabushiki Kaisha vs. Court of Appeals* (336 SCRA 266, 275 [2000]), the Supreme Court explained that:

x x x

"14.5. Clearly, the scope of protection accorded to trademark owners includes not only confusion of goods but also confusion of origin. As in this case, besides from the confusion of goods already discussed, there is undoubtedly also a confusion of the origin of the goods covered by the marks of Respondent-Applicant and the Opposer, which should not be allowed.

"15. Respondent-Applicant's use of the mark 'OFLEM' in relation to any of the goods covered by the opposed application, if these goods are considered not similar or closely related to the goods covered by Opposer's trademark 'EXFLEM', will take unfair advantage of, dilute and diminish the distinctive character or reputation of the latter mark. Potential damage to Opposer will be caused as a result of its inability to control the quality of the products put on the market by Respondent-Applicant under the mark 'OFLEM'.

"16. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent-Applicant of the mark 'OFLEM'. The denial of the application subject of this opposition is authorized under the IP Code.

"17. In support of the foregoing, the instant Notice of Opposition is herein verified by Mr. Carlos O. Nava, which will likewise serves as his affidavit (*Nasser v. Court of Appeals*, 191 SCRA 783 [1990]).

The Opposer's evidence consists of a copy of the IPO E-Gazette officially released on 13 January 2014; and a copy of the Certificate of Registration No. 4-2011-009659 for the trademark "EXFLEM";⁴

⁴Marked as Exhibit "A" to "B".

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant, Diamond Laboratories, Inc., on 07 March 2014. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark CARBOCISTEINE OFLEM?

The Opposer anchors its opposition on Sec. 123 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"):

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;"

Records show at the time the Respondent-Applicant filed its trademark application on 07 December 2013, the Opposer has an existing trademark registration for the mark EXFLEM under Trademark Reg. No. 4-2011-009659 issued on 05 January 2012. The registration covers "pharmaceutical preparations for cough relief" under Class 05. This Bureau noticed that the goods indicated in the Respondent-Applicant's trademark application, i.e. a mucolytic that reduces the viscosity of sputum to help relieve the symptoms of chronic obstructive pulmonary disorder (COPD) and bronchietasis under Class 05, are closely-related to the Opposer's.

A comparison of the competing marks reproduced below:

EXFLEM

**CARBOCISTEINE
OFLEM**

Opposer's trademark

Respondent-Applicant's mark

shows that confusion is likely to occur in this instance because of the close resemblance between the marks and that the goods covered by the marks are both pharmaceutical

products for pulmonary disorders. It is reasonable to infer that suffix FLEM is derived from the word "phlegm", the mucus or gel-like substance that is produced significantly when you have a cold or upper respiratory tract infection. Be that as it may, the Opposer by substituting the letters "FLEM" for "phlegm" and adding the prefix "EX" has created a mark that is very distinctive. Thus, even if the Respondent-Applicant changed "EX" with the letter "O", the mark nearly resembles the Opposer's. It also creates an impression that OFLEM is just a variation of EXFLEM. 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"⁵, "SAPOLIN" and LUSOLIN"⁶, "CELDURA" and "CORDURA"⁷, "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.⁸

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.⁹ This Bureau finds that the mark applied for registration by the Respondent-Applicant does not meet this function.

In conclusion, the subject trademark application is covered by the proscription under Sec. 123.1(d) (iii) of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2013-00008205 is hereby SUSTAINED. Let the filewrapper of the

⁵ *MacDonalds Corp. et. al v. L. C. Big Mak Burger*, G.R. No. L-143993, 18 August 2004.

⁶ *Sapolin Co. v. Balmaceda and Germann & Co.* 67 Phil, 705.

⁷ *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.)

⁸ *Marvex Commerical Co., Inc. v. Petra Hawpia & Co., et. al.*, G.R. No. L-19297, 22 Dec. 1966.

⁹ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Elhepa 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).

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, 02 November 2015.



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