

ABBOTT LABORATORIES,
Opposer,

-versus-

ENDURE MEDICAL, INC.,
Respondent-Applicant.

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IPC No. 14-2012-00018

Opposition to:

Appln. Serial No. 4-2011-004697

Date filed: 25 April 2011

TM: "SEVO"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 298 dated December 23, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, December 23, 2015.

For the Director:


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

ABBOTT LABORATORIES,
Opposer,

IPC NO. 14-2012-00018

- versus -

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ENDURE MEDICAL, INC.,
Respondent-Applicant.

Trademark. "SEVO"

X -----X

DECISION NO. 2015 - 298

DECISION

ABBOT LABORATORIES (Opposer)¹ filed an Opposition to Trademark Application No. 4-2011-004697. The application filed by ENDURE MEDICAL, INC., (Respondent-Applicant)², covers the mark "SEVO," for used on "*pharmaceutical preparations, namely, sevoflurane*" under Class 05 of the International Classification of Goods.³

The pertinent allegations in the Opposition are quoted as follows:

- (a) Respondent's SEVO mark consists exclusively of signs that are generic for the goods that they seek to identify, i.e. "pharmaceutical preparation s, namely, sevoflurane" under class 5, and/or consists exclusively of signs or of indications that have customary or usual to designate the goods in everyday language or in *bona fide* and established trade practice. It is therefore barred from registration.
- (b) Respondent's SEVO mark is devoid of distinctive character. Registration of the subject trademark application would therefore be contrary to Section 123.1 (h), 123.1(i), 123.1(j) of the IP Code.
- (c) The term "sevo" *per se*, must remain in the public domain and be left free for others to use, given its customary significance. In the interest of the public , Respondent cannot be entitled to possess a monopoly over such term by virtue of registration of the subject trademark application. Respondent's claim to exclusive registration rights in the

¹ A corporation organized and existing under the laws of the state of Illinois, United States of America with principal place of business at Abbot Park, Illinois 60064, United States of America.

² A corporation organized and existing under the laws of the Philippines with address at Unit 17-A Belvedere Tower, San Miguel Avenue, Ortigas Center, Pasig City

³ *The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.*

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

subject application is without merit and must be refused. The registration of the subject trademark application would be contrary to public policy, which is proscribed under Section 123.1(m) of the IP Code.

- (d) The nature of the SEVO mark and the significance of the term “*sevo*” in trade renders Respondent’s SEVO mark incapable of distinguishing its goods from those of other traders for identical or similar products. Accordingly and for the foregoing reasons, Respondent’s mark does not satisfy the definition of a “mark” under Section 121.1 of the IP Code, which clearly states that a “mark” is “any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise.” Registration of Respondent’s mark would therefore be contrary to law.
- (e) Opposer is the prior user and first registrant of the SEWORANE trademark in the Philippines, well before the filing date of Respondent’s SEVO mark, which was filed only on 25 April 2011. The Registration details of Opposer’s SEWORANE trademark are as follows:

Trademark	Registration No.	Registration Date	Class
SEWORANE	4-2009-011622	20 May 2010	5

Opposer has also registered the SEWORANE trademark in other countries. Opposer continues to use the SEWORANE trademark in the Philippines and throughout the world.

- (f) As registered owner of the SEWORANE trademark, Opposer enjoys the exclusive right to prevent all third parties not having its consent from using in the course of trade identical or similar signs for goods which are identical or similar to those in respect of which its trademark are registered where such use would result in likelihood of confusion.
- (c) (sic) Respondent’s SEVO mark is confusingly similar, if not identical to Opposer’s SEWORANE trademark and thus runs contrary to Section 123 of the IP Code. Section 123 (d), (e), (f) and (g) of the IP Code provide:

x x x

Respondent’s SEVO mark appropriates the vital element of Opposer’s SEWORANE trademark that would support a finding of sufficient similarity, if not identity, between the competing marks in terms of spelling, pronunciation and appearance. In fact, Respondent’s SEVO mark completely appropriates Opposer’s well-known and registered SEWORANE word mark under Registration No. 4-2009-01162, or otherwise exploits the dominant feature of Opposer’s SEWORANE mark. As stated, Opposer’s SEWORANE mark is actually used in the market in a manner where the first two syllables “SEVO” are emphasized over the last syllable “RANE,” thus:

x x x

The similarity between the mark is bolstered by the fact that Respondent's trademark application is for "pharmaceutical preparations, namely, sevoflurane" under class 5, the very same anesthesia for which Opposer's SEVORANE mark had been used since its introduction into the market in 1994.

The combination of the foregoing factors show that Respondent's trademark application cuts too closely to the SEVORANE trademark.

Hence, the registration of Respondent's SEVO mark for identical goods as that placed in the market by Opposer under the SEVORANE mark will confuse consumers into believing that SEVO originates from Opposer, or is otherwise sponsored by or associated with Opposer. In fact, a cursory examination of Respondent's mark would readily show that average consumers may be misled into believing that Respondent's SEVO is just a variant of Opposer's SEVORANE anesthetic preparations.

All told, there appears to be a studied attempt to copy Opposer's well-known SEVORANE trademark and ride on the goodwill it has created through years of continuous use. By suggesting a connection, association or affiliation with Opposer, when there is none, Respondent will no doubt cause confusion among the minds of the general public and substantial damage to the goodwill and reputation associated with the SEVORANE trademark as well as Opposer's own business reputation.

- (d) (sic) Opposer has also used and registered the SEVORANE trademark in other countries, which thereby classifies the SEVORANE trademark and well-known trademarks, both internationally and in the Philippines, particularly to medical personnel and anesthesiologists.

As such, Opposer is entitled to a wider scope of protection under Philippine law and to protect its SEVORANE trademark against marks that are liable to create confusion in the minds of the public or used in bad faith under Article 6*bis* of the Paris Convention, thus: x x x

As owner of a mark that is well-known and registered in the Philippines, Opposer is entitled to protect its SEVORANE trademark against marks that are liable to create confusion in the minds of the public, whether such marks are used on similar or dissimilar goods or services.

- (e) (sic) If allowed to proceed to registration, the consequent use of the SEVO mark by Respondent will amount to unfair competition with and dilution of Opposer's SEVORANE trademark which have attained valuable goodwill and reputation through years of extensive and exclusive use. This is prohibited under 168 of the IP Code.

Opposer's goodwill is a property right separately protected under Philippine law and a violation thereof amounts to downright unfair

competition proscribed under Article 10bis of the Paris Convention, Article 28 of the Civil Code and Section 168 of the IP Code: x x x

- (g) (sic) The registration of Respondent's mark will work to impede the natural expansion of Opposer's use of its SEVORANE trademark in the Philippines;
- (h) (sic) The registration and consequent use of the SEVO mark by Respondent will result in a confusion of source or reputation, which is proscribed under the IP Code and applicable precedents; and
- (i) (sic) Other provisions of the IP Code and related international agreements or conventions on the subject of intellectual property rights warrant the denial by this Honorable Office of Respondent's trademark application.

This Bureau issued on 15 March 2012, a Notice to Answer to the Respondent-Applicant. On 18 April 2012, Respondent-Applicant filed its Answer denying all the material allegations of the Opposition and the relevant portions of its affirmative defenses are quoted, to wit:

(b) "SEVORANE," which incidentally happens to be Opposer's registered mark, or any parts thereof, is not susceptible to appropriation because it is part of, or derived from, the INN "Sevoflurane." "Sevoflurane is the INN for a class of inhalation anesthetics.

10. An INN is a unique name that is globally recognized, is considered public property, and as the name suggests, cannot be privately appropriated (see "International Nonproprietary Names," www.who.int/medicines/services/inn/en). Thus, Opposer cannot exclusively appropriate "Sevoflurane" or any parts or derivatives thereof (such as "Sevorane") for itself. Thus, while it has been able to obtain trademark for "Sevorane," it does not follow, considering the non-appropriable nature of the name, that it can already exclude others, such as the applicant, from making use of the same in commerce. To assert the affirmative is to destroy the character of "Sevoflurane" as public property.

11. Even on the assumption that "Sevorane" was not derived from "Sevoflurane" and is indeed a unique invention of the Opposer, there is no possibility that "Sevo" could be mistaken, or confused with, Opposer's "Sevorane." First, the price of the anesthetic is quite steep and not comparable to common household goods, such that a purchaser thereof would naturally scrutinize the product and satisfy himself if indeed he bought the brand prescribed (P14, 000.00 per bottle in case of "Sevorane.") Second, the persons that commonly deal with the products are not laymen or ordinary individuals but specialists in the field of Medicine, namely anesthesiologists. Taking into consideration their vast knowledge, expertise and educational attainment, there is simply no way by which these class of professionals could be fooled into prescribing or choosing "Sevo" for "Sevorane." If "Sevo" was indeed prescribed or chosen, the same was intentional and could be due to other relevant factors, such as relevant government procurement laws.

12. Opposer likewise makes the self-serving averment that it is the registered owner of the "SEVORANE" trademark for the inhalation anesthetic "Sevoflurane" and that the registration of Respondent-Applicant's "SEVO" would cause confusion, mistake or deception, mislead the public, and constitutes both trademark infringement and unfair competition. Thus, Opposer's avers that Respondent-Applicant transgressed the provisions of the Intellectual Property Code of the Philippines (R.A. No. 8293) – the IP Code, particularly Section 155.2 and 168.1 thereof;

13. A Notice of Opposition is confined to the registrability of the trademark applied for; it should not be an occasion for Opposer to introject issues pertaining to trademark

infringement and/or unfair competition, which are properly subject of a separate proceeding.

14. In any event, Respondent-Applicant herein states that contrary to Opposer's allegations, it did not thereby commit nor attempt to commit trademark infringement. Respondent-Applicant's "SEVO" – which is derived itself from the INN "Sevoflurane." Neither is there any confusing similarity between these two marks that would cause or likely cause mistake or deception on the consuming public, namely, the anesthesiologists.

15. If Opposer's "SEVORANE," which is derived from "Sevoflurane," was considered registrable by this Honorable Office, then there is no reason why "SEVO" which is also derived from Sevoflurane," should not be considered registrable.

The Opposer submitted the following evidence:

Annex "A" – Original Verified Notice of Opposition

Annex "B" – Certificate and Special Power of Attorney dated 10 February 2012

Annex "C" – Affidavit of Mr. David McDonald dated 28 February 2012

Annex "D-series" – copies of articles demonstrating the common use of "sevo" for "sevoflurane"

Annex "E" – Table of Opposer's applications and registrations for the SEVORANE trademarks worldwide

Annex "F-series" – copies of trademark registrations for SEVORANE trademarks from different countries

Annex "G-series" – samples of promotional materials, advertisements, studies, letters, list, screen shots, and other evidence of the publicity and promotion of SEVORANE

Annex "H" – Samples of product packaging of SEVORANE products from different countries

The Respondent-Applicant's evidence consist of the following:

Exhibit "1" – Certificate of Product Registration issued by Bureau of Food and Drugs

After the termination of the Preliminary Conference, the parties were directed to submit their respective Position Papers. Consequently, this case was submitted for decision.

The basic issue to be resolved in the instant case is whether Respondent-Applicant's trademark SEVO should be allowed for registration.

The Supreme Court has held that a trademark is any distinctive word, name, symbol, emblem, sign or device, or any combination thereof, adopted and used by a manufacturer or merchant on his goods to identify and distinguish them from those manufactured, sold or dealt by others.⁴

Following the above definition, the primary function of a trademark is to distinguish one's goods from that of the others. In the instant case, the trademark applied for registration by the respondent-applicant is a stem and a portion of a generic or international nonproprietary name (INN). The respondent-applicant's mark "SEVO" is the first two syllables of the generic pharmaceutical substance "SEVOFLURANE". To the consumer, "SEVO" would appear as the shortened version of the generic name and which immediately conveys or indicate the kind, quality and intended purpose of the product.

Under Section 123.1 of the IP Code a mark cannot be registered if it:

"x x x

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

(i) Consists exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in bonafide and established trade practice;

(j) Consists exclusively of signs or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services; xxx"

The Supreme Court also explained that the generic terms are those which constitute the common descriptive name of an article or substance, or comprise of genus of which the particular product is a species or are commonly used as the name or description of a kind of goods or imply reference to every member of a genus and the exclusion of individuating characters or refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product, and are not legally protectable. On the other hand, a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is, or if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination.⁵ Succinctly, no person or entity can claim exclusive right where the trademark is generic mark.

Issues identical to the present case have already been previously resolved by the Office and thus, instructive in the present case. In Inter Partes Case No. 4082 entitled "*Orsem vs. Douglas Pharmaceuticals Limited*", this Bureau sustained the Opposition against the registration of the trademark "NAPAMIDE" for being

⁴ Dermaline Inc. vs. Myra Pharmaceuticals Inc., G.R. No. 190065, 16 August 2010

⁵ Societe des Produits Nestle, S.A. vs. Court of Appeals, GR No. 112012, 4 April 2001

confusingly similar with the generic term “INDAPAMIDE.” Similarly, this Bureau held in Inter Partes Case No. 14-2007-00069 entitled “*Biofarma vs. Therapharma*” that the mark “TRIMETAZEL” cannot be registered on the ground of confusing similarity with the generic term and INN “TRIMETAZIDINE.”

In line with the above pronouncement, the Director General has further elucidated in Inter Partes Case No. 14-2008-00098 entitled “*Sanofi-Aventis vs. Verheilen Pharmaceuticals Inc.*,” as follows:

Under the law, a generic word is free for all to use and cannot be registered as a mark. In the pharmaceutical field, generic name or generic terminology is the identification of drugs and medicines by their scientifically and internationally recognized active ingredients or by their official generic name as determined by the Bureau of Food and Drugs of the Department of Health. On the other hand, in the international field for pharmaceutical substances, a generic name is also known as a nonproprietary name and an International Nonproprietary Name (“INN”) identifies a pharmaceutical substance or active pharmaceutical ingredient by a unique name that is globally recognized and is public property.

Time and again, it is emphasized that the essence of trademark registration is to give protection to the owners of the trademarks. The function of a trademark is to point out distinctly the origin or ownership of the article 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 products.⁶ The trademark applied for registration by the respondent-applicant does not meet this function.

WHEREFORE, premises considered, the instant opposition to Trademark Application Serial No. 42011004697 is hereby **SUSTAINED** for the reason stated above. Let the filewrapper of Trademark Application Serial No. 42011004697 be returned together with a copy of this Decision to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Taguig City, 23 December 2015


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

⁶ *Mirpuri vs. Court of Appeals* G.R. No. 114508, 19 November 1999