

UNITED LABORATORIES, INC.,
Opposer,

-versus-

ZEUTICA, INC.,
Respondent-Applicant.

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}
} IPC No. 14-2011-00058
} Opposition to:
} Appln. Serial No. 4-2010-006156
} Date filed: 08 June 2010
} TM: "ENERCEE"
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}
}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 283 dated December 22, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, December 22, 2015.

For the Director:


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

UNITED LABORATORIES, INC.,
Opposer,

-versus-

ZEUTICA, INC.,
Respondent-Applicant.
x-----x

IPC No. 14-2011-00058

Opposition to:
Application No. 4-2010-006156
Date Filed: 08 June 2010
Trademark: "ENERCEE"

Decision No. 2015- 283

DECISION

UNITED LABORATORIES, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2010-006156. The application, filed by Zeutica, Inc.² ("Respondent-Applicant"), covers the mark "ENERCEE" for use as "*pharmaceutical preparation- vitamin C tablet, syrup and drops*" 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 trademark 'ENERCEE' owned by Respondent-Applicant so resembles the trademark 'ENERVON-C' owned by Opposer and duly registered with this Honorable Bureau prior to the publication for opposition of the mark 'ENERCEE'.

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

"9. The registration of the mark 'ENERCEE' 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 corporation duly organized and existing under the laws of the Philippines with office address at No. 66 United Street., Mandaluyong City, Philippines.

²A domestic corporation organized and existing under the laws of the Philippines with address at Unit 110 Regalla Park Towers, P. Tuazon, Cubao, Quezon 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.

Under the above-quoted provision, any mark which is similar to a registered mark, shall be denied registration 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 'ENERVON-C'.

"10.1. Opposer is engaged in the marketing and sale of a wide range of pharmaceutical products. The trademark application for the trademark 'ENERVON-C' was filed with the Philippine Patent Office on 15 September 1967 by Opposer's sister-company, United American Pharmaceuticals, Inc. ('UAP'), and was approved for registration on 16 June 1969 and valid for a period of twenty (20) years. x x x

"10.2. Before the expiration of the registration, UAP filed an application for renewal, which was accordingly granted on 16 June 1989 and valid for another period of twenty (20) years, or until 16 June 2009. x x x

"10.3. In the meantime, on 21 September 2005, UAP assigned the trademark 'ENERVON-C' to Unam Brands (BVI) Ltd. ('UNAM'), another sister-company of Opposer. A certified true copy of the Deed of Assignment is hereto attached x x x

"10.4. On 23 February 2009, UNAM subsequently assigned the trademark 'ENERVON-C' to herein Opposer. A certified true copy of the Deed of Assignment duly recorded with the IPO is hereto attached x x x

"10.5. On 12 May 2009, before the expiration of the registration, Opposer filed an application for renewal of the registration of the trademark 'EVERVON-C', which was accordingly granted for a period of ten (10) years from 16 June 2009, or until 16 June 2019. Thus, the registration of the trademark 'ENERVON-C' subsists and remains valid to date. A certified true copy of the Certificate of Renewal of Registration is hereto attached x x x

"11. The trademark 'ENERVON-C' has been extensively used in commerce in the Philippines.

"11.1. Opposer's predecessor-in-interest, UAP, dutifully filed Affidavits of Use pursuant to the requirement of the law in order to maintain the registration of the trademark 'ENERVON-C' in force and effect. Certified true copies of the Affidavits of Use are hereto attached x x x

"11.2. A sample product label bearing the trademark 'ENERVON-C' actually used in commerce is hereto attached x x x

"11.3. No less than the Intercontinental Marketing Services ('IMS') itself, the world's leading provider of business intelligence and strategic consulting services for the pharmaceutical and healthcare industries with



operations in more than 100 countries, acknowledged and listed the brand 'ENERVON-C' as the leading brand in the Philippines in the category of 'A11E – Vitamins B Complex' in terms of market share and sales performance. A copy of the certification and sales performance is hereto attached x x x

"11.4. In order to legally market, distribute and sell this pharmaceutical preparation in the Philippines, Opposer registered the product with the Bureau of Food and Drugs ('BFAD'). A certified true copy of the Certificate of Product Registration issued by the BFAD for the trademark 'ENERVON-C' is hereto attached x x x

"11.5. By virtue of the foregoing, there is no doubt that Opposer has acquired an exclusive ownership over the trademark 'ENERVON-C' to the exclusion of all others.

"11.6. 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 'ENERCEE' will be contrary to Section 123.1 (d) of the IP Code. 'ENERCEE' is confusingly similar to Opposer's trademark 'ENERVON-C'.

"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 fact, in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* (356 SCRA 207, 216 [2001]), the Supreme Court, citing *Ethepa 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.' (MacDonald's Corporation, supra, p. 33 [2004])

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

"12.1.6.1. Respondent-Applicant's mark 'ENERCEE' appears and sounds almost the same as Opposer's trademark 'ENERVON-C'.

"12.1.6.2. The first four (4) letters of Respondent-Applicant's mark 'E-N-E-R-C-E-E' are exactly the same with Opposer's trademark 'E-N-E-R-V-O-N-C'.

"12.1.6.3. The last syllable of both marks is similarly pronounced '/E/-/NER/-/CEE/' and '/E/-/NER/-/VON/-/C/'.

"12.1.7. Clearly, Respondent-Applicant's mark 'ENERCEE' adopted the dominant features of the Opposer's trademark 'ENERVON-C'.

"12.1.8. As further ruled by the High Court in 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 'ENERVON-C' and Respondent-Applicant's mark 'ENERCEE' 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 over the other, most especially considering that the opposed mark 'ENERCEE' is applied for the same class and goods as that of Opposer's trademark 'ENERVON-C' under Class 05 of the International Classification of Goods as Vitamin-C Pharmaceutical Preparation.



"12.4. Nevertheless, Respondent-Applicant still filed a trademark application for 'ENERCEE' despite its knowledge of the existing trademark registration of 'ENERVON-C,' which is confusingly similar thereto in both its sound and appearance, to the extreme damage and prejudice of Opposer.

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

x x x

"12.6. 'When, as in the present case, one applies 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.' (Chuanchow Soy & Canning Co., vs. Director of Patents, 108 Phil. 833, 836 [1960])

"13. To allow Respondent-Applicant to continue to market its products bearing the mark 'ENERCEE' undermines Opposer's right to its trademark 'EVERVON-C'. As the lawful owner of the trademark 'ENERVON-C', 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 'ENERVON-C', 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 'ENERVON-C', 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 McDonald's Corporation case (supra, p. 34), , it is evident that Respondent-Registrant's mark 'ENERCEE' is aurally confusingly similar to Opposer's trademark 'ENERVON-C'.

x x x

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

"14. By virtue of Opposer's prior and continued use of the trademark 'ENERVON-C', the same have become well-known and established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent-Applicant's confusingly similar mark 'ENERCEE' on its goods/services 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 brought as the plain' 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 'ENERCEE' 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 'ENERVON-C' 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 Opposer, which should not be allowed.

"15. In case of grave doubt, the rule is that, '[a]s between a newcomer who by confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer inasmuch as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.' (*Del Monte Corporation, et. al. vs. Court of Appeals*, 181 SCRA 410, 420 [1990])

"15.1. In *American Wire & Cable Co., vs. Director of Patents* (supra, p. 551), it was observed that:

x x x

"15.2. When a newcomer used, without a reasonable explanation, a confusingly similar, if not at all identical, trademark as that of another 'though the field of its selection was so broad, the inevitable conclusion is that it was done deliberately to deceive.' (Del Monte Corporation, et. al. vs. Court of Appeals, supra, p. 419-420)

"16. Respondent-Applicant's use of the mark 'ENERCEE' in relation to any of the goods/services covered by the opposed application, if these goods are considered not similar or closely related to the goods covered by Opposer's trademark 'EVERVON-C', 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 'ENERCEE'.

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

"18. In support of the foregoing, the instant Opposition is herein verified by Mr. Jose Maria A. Ochave, which will likewise serves as his affidavit. (Nasser vs. Court of Appeals, 191 SCRA 783, 792-793 [1990])

The Opposer's evidence consists of copies of the pertinent pages of the IPO E-Gazette officially released on 20 December 2010; a copy of the Certificate of Registration for the trademark "EVERVON-C"; a copy of the Deed of Assignment dated 21 September 2005; a copy of the Deed of Assignment duly recorded with the IPO; a copy of the Certificate of Renewal of Registration for the trademark "ENERVON-C"; copies of the Affidavits of Use for the trademark "ENERVON-C"; a sample product label bearing the trademark "ENERVON-C" actually used in commerce; a copy of the certification and sales performance; and, a copy of the Certificate of Product Registration issued by the BFAD for the brand name "ENERVON".⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant, Zeutica, Inc., on 01 April 2011. The Respondent-Applicant filed their Answer on 27 May 2011 and avers the following:

x x x

"AFFIRMATIVE DEFENSES

"2. Opposer claims that the registration of the mark ENERCEE for pharmaceutical products in the name of the Respondent will cause damage as it is confusingly similar to its product ENERVON for multivitamins. In Opposer's Exhibit 'M', referring to the Certificate of Product Registration of Enervon-C, the active ingredients thereof are the following Vitamins: A, D3, B1, B2, B6, B12 and C(ascorbic acid).

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

"2.1 On the other hand, it can not be denied that active ingredient of Respondent's products sold under the mark ENERCEE and highlighted in the packaging is only ASCORBIC ACID.

"2.2 There being a difference in the active ingredients, the buyers will not be confused. This is very relevant considering that the competing products are taken by the consumers on a daily basis. Consequently, buyers of ENERVON-C products will become very familiar with the packaging materials of these products and will not be confused such that they will buy ENERCEE products believing that they are ENERVON-C products.

"3.1 In the packaging materials of the Respondent, it is also very clear that the name of the Respondent-Applicant as distributor of the products appear. Thus, confusion is likewise remote.

"3.2 The said packaging of the Respondent is also far different from the packaging of the Opposer presented in the Opposition.

"4.1 It should also be noted that 'C' on Enervon-C and CEE in ENERCEE refer to Vitamin C or ascorbic acid.

"5. Respondent likewise incorporate herein by way of reference- the affidavit of the lone witness for the Respondent and marked as Exhibit '1'.

The Respondent-Applicant's evidence consists of the Affidavit of the Marketing Manager of Respondent Zeutica, Inc., Rolando A. Raypon.⁵

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

The Opposer anchors its opposition on the following provisions 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;"

Sec. 138. *Certificates of Registration.* - 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

⁵Marked as Exhibit "1".



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.

Sec. 147. *Rights Conferred.* - 147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent 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 where such use would result in a likelihood of confusion. In case of the use, of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

Records show that at the time the Respondent-Applicant filed its trademark application on 08 June 2010, the Opposer has an existing trademark registration for the mark ENERVON-C (Reg. No. 14854) which was first issued on 16 June 1969. The registration covers "a high-potency therapeutic vitamin formula containing essential Vitamin B complex plus Vitamin C" under Class 06, now Class 05, which is similar to the goods indicated in the Respondent-Applicant's trademark application, specifically, "pharmaceutical preparation- vitamin C tablet, syrup and drops".

The competing marks, as shown below, are confusingly similar:

ENERVON-C

Opposer's trademark

ENERCEE

Respondent-Applicant's mark

Respondent-Applicant's mark ENERCEE adopted the dominant features of Opposer's mark consisting of the letters "ENER". The last syllable of Respondent-Applicant's CEE appears and sounds almost the same as the letter C in Opposer's mark ENERVON-C. Respondent-Applicant merely deleted "VON" in coming up with the mark ENERCEE. Likewise, the competing marks are used on similar and/or closely related goods, particularly, as Vitamin C. Thus, it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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.⁶

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. 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 article as his product.⁷

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁸

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2010-006156 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, 22 December 2015.



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

⁶ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

⁷ *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).

⁸ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.