

AVENTIS PHARMA S.A.,
Opposer,
 -versus-
 THE GENERICS PHARMACY, INC.,
Respondent-Applicant.

x-----x

IPC No. 14-2014-00314
 Opposition to:
 Application No. 4-2014-001634
 Date Filed: 07 February 2014
 Trademark: "NASACOL"

NOTICE OF DECISION

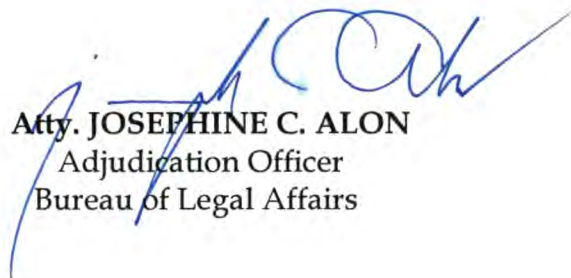
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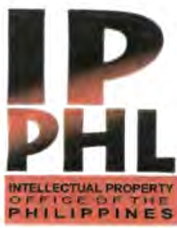
GERALDINE GOMEZ-RIVERA
 Respondent-Applicant's Agent
 #67 Scout Fuentebella Street
 Brgy. Laging Handa, Tomas Morato
 Quezon City

GREETINGS:

Please be informed that Decision No. 2016- 317 dated 16 September 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 16 September 2016.


 Atty. JOSEPHINE C. ALON
 Adjudication Officer
 Bureau of Legal Affairs



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 -versus-
 THE GENERICS PHARMACY, INC.,
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IPC No. 14-2014-00314
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 Trademark: "NASACOL"

Decision No. 2016- 317

DECISION

AVENTIS PHARMA S.A.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-001634. The application, filed by The Generics Pharmacy, Inc.² ("Respondent-Applicant"), covers the mark "NASACOL" for use on "pharmaceutical product used as analgesic, antipyretic and antihistamine for prevention and treatment of common colds, sinusitis and allergic rhinitis" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x
 "IV.

"GROUNDS IN SUPPORT OF THIS OPPOSITION

"10. The Respondent-Applicant's application for the registration of the mark NASACOL should not be granted by this Honorable Office because its registration is contrary to Section 123.1 (d) and Section 123.1 (f) of the Intellectual Property Code, which prohibits the registration of a mark that:

x x x

"11. The act of Respondent-Applicant in adopting the mark NASACOL for its pharmaceutical products in International Class 5 is clearly an attempt to trade unfairly on the goodwill, reputation and consumer awareness of the Opposer's NASACORT mark that was previously registered before this Honorable Office. Such act of the Respondent-Applicant results in the diminution of the value of the Opposer's NASACORT mark.

"12. The Opposer's NASACORT mark is registered in International Class 5, for pharmaceutical products, namely, symptomatic treatment of seasonal and perennial allergic rhinitis, identical to the class to which the Respondent-Applicant seeks registration for its NASACOL mark, specifically for pharmaceutical products used as analgesic, antipyretic and antihistamine for prevention and treatment of common colds, sinusitis and allergic rhinitis. Further, the Opposer's NASACORT mark is likely to be

¹A corporation duly organized and existing under the laws of France with principal address at 20 Avenue Raymond Aron, 92160, Antony, France.

²With address at 459 Quezon Avenue, Quezon City, Metro Manila, 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.

associated with Respondent-Applicant's NASACOL mark leading to consumer confusion.

"13. Goods are closely related when they belong to the same class, or have the same descriptive properties, or when they possess the same physical attributes or essential characteristics, with reference to their form, composition, texture or quality.

"14. The Respondent-Applicant's mark NASACOL closely resembles and is very similar to the Opposer's NASACORT mark that was previously registered in the Philippines and elsewhere in the world. The resemblance of the Opposer's and the Respondent-Applicant's mark is most evident upon a juxtaposition of the said marks.

x x x

"15. The Opposer's mark NASACORT and the Respondent-Applicant's mark NASACOL are identical and/or similar, in the following respects to wit:

- "15.1. Both marks are purely word marks, i.e., NASACORT and NASACOL;
- "15.2. Both marks have three (3) syllables, i.e., 'NA'-SA'-CORT' and 'NA'-SA'-COL';
- "15.3. Both marks uses six (6) similar letters, i.e., 'N','A','S','A','C' and 'O';
- "15.4. The only difference between the marks is the letter 'L' in Respondent-Applicant's mark instead of the letters 'RT' in the Opposer's mark. The rest of the letters are the same- and as such, the marks are almost identical.
- "15.5. The Respondent-Applicant's mark and the Opposer's mark are undoubtedly phonetically similar;
- "15.6. Both marks are used for similar goods under Class 5, specifically for pharmaceutical products intended for the treatment of allergic rhinitis.

"16. Goods bearing the Opposer's mark NASACORT and the Respondent-Applicant's mark NASACOL are commercially available to the public through the same channels of trade such that an indiscriminating buyer might confuse and interchange the products bearing the Respondent-Applicant's mark NASACOL for goods bearing the Opposer's mark NASACORT. It is worthy to mention that the relevant consumers affected herein will be the buyers of pharmaceutical products. Naturally, consumers would merely rely on recollecting the dominant and distinct wording of the marks. There is a great similarity and not much difference between the Opposer's mark NASACORT and the Respondent-Applicant's mark NASACOL. Thus, confusion will likely arise and would necessarily cause the interchanging of one product with the other.

"17. Considering the fact that the goods involved are related and flow through the same channels of trade and are used to treat the same sickness, the possibility of confusion is more likely to occur in the light of the fact that ordinary consumers, who are prone to self-diagnose illness and purchase prescription drugs even without a doctor's prescription, may mistakenly believe that the product of Respondent-Applicant is equivalent to, or affiliated with, the Opposer's product.

"18. The Respondent-Applicant's NASACOL mark so closely resembles the Opposer's NASACORT mark that the Filipino public will undoubtedly confuse one with

the other or worse, believe that goods bearing the Respondent-Applicant's mark NASACOL originate from the Opposer, or, at least, originate from economically linked undertakings.

"19. In *American Wire & Cable Co. v. Director of Patents*, 31 SCRA 544, 547-548 (1970), the Supreme Court through Justice J.B.L. Reyes ruled:

x x x

"20. In addition, under the rule of *idem sonans*, it is clear that there is a confusing aural similarity between the marks. The Supreme Court has held that the mark 'Gold Top' is 'aurally' similar to 'Gold Toe'. Furthermore, in *McDonald's vs. L.C. Big Mak*, 437 SCRA 10, 34 (2004) citing *Marvex Commercial Co., Inc. vs. Petra Hawpia & Co., et al.*, Phil 295, 18 SCRA 1178 (1966) the Supreme Court held:

x x x

"The only difference between the Respondent-Applicant's mark NASACOL and the Opposer's NASACORT mark is the replacement of the suffix RT on the Opposer's mark with the letter 'L' for the Respondent-Applicant's mark while the rest of the letters are the same. It cannot be denied that the two marks are unusually and aurally similar and would indubitably cause confusion amongst the Filipino consumers.

"21. The Opposer's mark NASACORT is a pharmaceutical product intended for the treatment of allergic rhinitis under International Class 5. Similarly, the goods bearing the Respondent-Applicant's mark NASACOL designated under International Class 5 is a pharmaceutical product used for the treatment of common colds, sinusitis and allergic rhinitis. The presence of two identical and/or similar pharmaceutical products in the marketplace bearing highly similar trademarks which are used to treat the same illnesses will indubitably lead to consumer confusion.

"22. In consonance with public policy, it is the duty of this Honorable Office to protect the Filipino purchasing public by ensuring that there is no confusing similarity involving medicinal products. Unlike ordinary goods, confusion of product between medicinal goods may also arise from as a result of a physician's illegible handwriting, thus the need for further protection. This has been recognized in jurisprudence, notably in *Morgenstern Chemical Co. v. G.D. Searle & Co.*, 253 F. 2d 390 (1958).

"23. In *Morgenstern*, the United States Court of Appeals ruled that the 'obvious similarity in derivation, suggestiveness, spelling, and sound in careless pronunciation, between 'Micturin' and 'Mictine' as applied to pills to be taken by mouth for therapeutic purposes requires the conclusion, in the circumstances of this case, that the defendant has infringed the rights of the plaintiff in its common-law trade name Micturin and should be restrained from further doing so.

"24. Further, in *Morgenstern*, the Court also noted that it is common knowledge that mistakes or confusion occurring in filing handwritten prescriptions which are not legible. In arriving at this conclusion, the Court of Appeals in *Morgenstern* appropriately ruled that:

x x x

"25. The ruling in *Morgenstern* should squarely be applied in the case at bar. The fact that the medicinal products of the parties are for identical indications highlights the stubborn fact that there exist a possibility of one medicinal product being dispensed

for the other medicinal product, which could easily be remedied by requiring clearly dissimilar trademarks in the field of medicinal products. The reputation and goodwill of the Opposer should not be trifled with the talismanic invocation that there is only a remote possibility of confusion. The fact clearly remains that the goods of the parties belong to the same class, are identical, and are available through the same channels of trade. As the Supreme Court in *Ang vs. Teodoro* has aptly stated:

x x x

"26. The case of *Glenwood Laboratories, Inc. v. American Home Prod. Corp.*, 455 F. 2d 1384 (C.C.P.A. 1972), aptly illustrates the danger of confusion as regards medicinal products bearing similar marks, ruling that,

x x x

"27. Of all the possible combinations of the letters of the alphabet and words, the Respondent-Applicant chose to use the mark NASACOL to identify the goods in International Class 5, which are in direct competition with the Opposer's goods, also in International Class 5. It cannot be gainsaid that confusion will arise inasmuch as the goods are identical, and they cater to the same kind of purchasers. As pharmaceutical products for the treatment of identical illnesses, both will be found and displayed in hospitals, clinics, and pharmacies, probably side by side, making both products flow through the same channels of trade, thus making the Opposer and the Respondent-Applicant competitors in the same product industry. No conclusion can be drawn surrounding the case other than the fact that the Respondent-Applicant is knowingly and deliberately attempting to trade on the valuable goodwill and to ride on the notoriety of the Opposer's NASACORT mark that has been used throughout the world for several decades including in the Philippines.

"28. Clearly, the registration and use of the Respondent-Applicant mark's NASACOL is a usurpation of the mark NASACORT, a mark legally owned by the Opposer, as well as the goodwill associated therewith and/or passing off its own products, as those manufactured by the Opposer.

"28.1 By the Respondent-Applicant's attempt to register and use the mark NASACOL for its goods in International Class 5, it is plain that the Respondent-Applicant seeks to take advantage of the worldwide and nationwide reputation of the mark NASACORT that the Opposer has gained by ingenious and persistent marketing and the expenditure of considerable sums of money to promote the same, by confusing and misleading the trade and the Filipino public in passing off its own products as those of the Opposer and/or suggesting that they are being sold or are approved by the Opposer.

"29. The registration of the Respondent-Applicant's mark NASACOL will lead the purchasing public to believe that the goods of the Respondent-Applicant emanate from the Opposer. If the products of the Respondent-Applicant are inferior in quality, there will be grave and irreparable injury to the Opposer's valuable goodwill and to its NASACORT mark. Furthermore, the use and registration of the mark NASACOL by the Respondent-Applicant will dilute and diminish the distinctive character of the Opposer's NASACORT mark.

"30. The Respondent-Applicant seeks to register the mark NASACOL which is confusingly similar to the Opposer's NASACORT mark, as to be likely, when applied to goods of Respondent-Applicant, to cause confusion, mistake or deception to the Filipino public as to the source of goods, and will inevitably falsely suggest a trade connection between the Opposer and the Respondent-Applicant, is simply violative of the Intellectual Property Code of the Philippines.

"31. The Supreme Court discussed these two types of trademark confusion in *Mighty Corporation, et. al. vs. E. & J. Gallo Winery, et. al.*, G.R. No. 154342, July 14, 2004, 434 SCRA 473, 504, thus: x x x

"32. In the case of *Societe Des Produits Nestle, S.A. vs. Dy, Jr.*, the Supreme Court held that: x x x

"33. Moreover, in the case of *McDonald's Corporation vs. L.C. Big Mak Burger, Inc., et. al.*, the Supreme Court had occasion to rule that, 'while proof of actual confusion is the best evidence of infringement, its absence is inconsequential'.

"34. Thus, the denial of the registration of Trademark Application No. 4-2014-001634 for the mark NASACOL by this Honorable Office is authorized and warranted under the provisions of the Intellectual Property Code of the Philippines.

The Opposer's evidence consists of the Special Power of Attorney executed by the Opposer in favor of Cesar C. Cruz and Partners Law Offices and the Affidavit executed by Joelle SANIT-HUGOT, proxy holder of Aventis Pharma S.A.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 21 October 2014. Said Respondent-Applicant, however, did not file an Answer.

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

The Opposer anchors its opposition on Sections 123.1, paragraphs (d) and (f) of Republic Act No. 8293, also 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:

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;"

⁴Marked as Annexes "A" and "B", inclusive.

- (f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or service which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use;

Records show that at the time the Respondent-Applicant filed its trademark application on 07 February 2014, the Opposer had an existing trademark application for the mark NASACORT under Application Serial No. 4-2014-520 which matured into a registration on 30 May 2014. The registration covers "pharmaceutical products intended for the treatment of allergic rhinitis" under Class 05, which is similar and/or closely-related to the goods indicated in the Respondent-Applicant's trademark application, specifically, "pharmaceutical product used as analgesic, antipyretic and antihistamine for prevention and treatment of common colds, sinusitis and allergic rhinitis".

The competing marks are shown below:

NASACORT

Opposer's trademark

NASACOL

Respondent-Applicant's mark

This Bureau finds that confusion or deception is likely to occur at this instance. Respondent-Applicant's mark NASACOL adopted the dominant features of Opposer's mark consisting of the letters "NASACO". There is no doubt that NASA of both marks was derived from the word NASAL, of or relating to the nose⁵, as both marks are used for the treatment of allergic rhinitis, inflammation of the mucous membrane of the nose.⁶ However, removing the letter "L" in nasal, and putting "CORT" in the end conferred upon the Opposer's mark visual and aural properties that made it sufficiently distinctive to qualify as a registrable trademark. On this score, the Respondent-Applicant's adoption of the same first two syllables "NASA" and replacing the last syllable CORT in Opposer's mark with "COL" makes it confusingly similar with NASACORT. Hence, consumers will likely assume that NASACOL is just a variation of

⁵Merriam-Webster dictionary simple definition of NASAL.

⁶Merriam-Webster dictionary definition of RHINITIS.

NASACORT and that there is a connection between the two or the parties when in fact there is none.

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.⁷

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.⁸

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.⁹

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.

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

⁷ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et al.*, G.R. No. L-27906, 08 Jan. 1987.

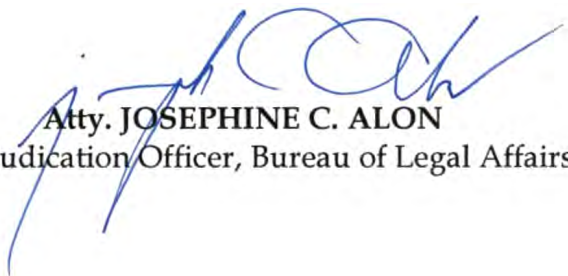
⁸ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepe v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

⁹ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-001634 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, 16 SEP 2016.



Atty. JOSEPHINE C. ALON
Adjudication Officer, Bureau of Legal Affairs