

MERCK KgaA,
Opposer,

-versus-

UNITED LABORATORIES, INC.,
Respondent- Applicant.

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IPC No. 14-2011-00455
Opposition to:
Appln. Serial No. 4-2011-003845
Date Filed: 04 April 2011
TM: "AFFORDAMED"

NOTICE OF DECISION

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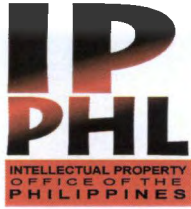
GREETINGS:

Please be informed that Decision No. 2016 - 88 dated March 31, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, March 31, 2016.

For the Director:


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



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UNITED LABORATORIES, INC.,
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IPC NO. 14-2011-00455

Opposition to:
Appln. Ser. No. 4-2011-003845
Filing Date: 04April 2011
Trademark: AFFORDAMED

Decision No. 2016 - 88

DECISION

MERCK KgaA,¹ (“Opposer”) filed a Verified Opposition to Trademark Application Serial No. 4-2011-003845. The application, filed by UNITED LABORATORIES, INC.² (“Respondent-Applicant”) covers the mark AFFORDAMED for use on “*pharmaceutical preparations, sanitary preparations for medical purposes, dietetic substances, food for babies, disinfectants, materials for dressing*” under Class 05 of the International Classification of goods³.

The Opposer alleges the following grounds:

“1. The mark 'AFFORDAMED' that Respondent-Applicant seeks to register so resembles the dominant component of Opposer's registered trademarks 'AFOR - AFFORDABILITY FOR THE PHILIPPINES, OUR RESOLVE' and 'QUALITY AFORMEDS', respectively, which when applied to or used in connection with the goods covered by the application under opposition, will likely cause confusion, mistake and deception on the part of the purchasing public.

“2. Respondent-Applicant's trademark seeks to cover goods in International Class 05 that are **identical** to Opposer's trademark registrations.

“3. The registration of the mark 'AFFORDAMED' in the name of the Respondent-Applicant will violate Sec. 123.1 (d) of Republic Act No. 8293 (“Intellectual Property Code”) which categorically provides that -

x x x

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

¹A German corporation with general partners with business address at Frankfurter Strasse 250, 64271 Darmstadt, Germany.
²A domestic corporation with office address at No. 66 United Street, Mandaluyong City
³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on the 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 Purpose of the Registration of Marks concluded in 1957.

(iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion;

"4. Thus, prescinding from the foregoing quoted provision, any mark that is identical with the registered mark belonging to a different person or legal entity should be denied registration in respect of similar or related goods; or, if the mark applied for registration nearly resembles such registered mark as to cause confusion or deception in the mind of the buying public, said application should not be allowed to mature into registration.

"5. Respondent-Applicant's use and registration of the mark 'AFFORDAMED' will diminish the distinctiveness and dilute the goodwill of Opposer's aforementioned trademarks. Indeed, it cannot be gainsaid that the copycat mark 'AFFORDAMED' is substantially similar to Opposer's registered trademarks at least insofar as the latter's dominant features/components are concerned, viz., 'AFFOR-' 'AFFORDABILITY' and 'AFORMEDS'.

The Opposer's evidence consists of the following:

1. Exhibit "A" - Joint Affidavit of Ms. Diana Schmerler and Mr. Jonas Kolle;
2. Exhibit "B" - Affidavit of Ms. Monalita Maracha;
3. Exhibit "C" - Original copy of Opposer's data sheet pertaining to Trademark Registration No. 4-2009-001087 registered on 17 September 2009 for the mark "AFOR-Affordability for Filipinos, Our Resolve," downloaded from the IPO website;
4. Exhibits "D" - Duplicate original copy of the Declaration of Actual Use for the mark "AFOR-Affordability for Filipinos, Our Resolve;"
5. Exhibits "E" - Original copy of Opposer's data sheet pertaining to Trademark Registration No. 4-2008-014296 registered on 16 July 2009 for the mark "QUALITY AFFORMEDS" downloaded from the IPO website;;
6. Exhibit "F" - Duplicate original copy of the Declaration of Actual Use for the mark "QUALITY AFFORMEDS submitted to IPO;
7. Exhibits "G to "G-4"- evidence of actual use/brochures/promotional materials for the marks "AFOR-Affordability for Filipinos, Our Resolve" and "QUALITY AFFORMEDS" circulating in Philippine commerce; and
8. Exhibit "H" - Original copy of Respondent-Applicant's data sheet pertaining to Trademark Registration No. 4-2011-003845 filed on 04 April 2011 for the mark " AFFORDAMED" downloaded from the IPO website.

This Bureau issued on 05 January 2012 a Notice to Answer and personally served it to Respondent-Applicant on 12 January 2012. On 13 February 2012, the Respondent-Applicant filed the Answer alleging the following Special and Affirmative Defenses:

"4. Respondent's trademark 'AFFORDAMED' is not confusingly similar to Opposer's trademarks 'AFOR-AFFORDABILITY FOR FILIPINOS, OUR RESOLVE', 'QUALITY AFFORMEDS' and the family of 'AFOR' marks to be likely to cause confusion, mistake and deception on the part of the purchasing public. Evidently, Opposer's ground for its opposition has no factual or legal basis.

"4.1. The question to be answered in deciding whether a trademark is confusingly similar to another is: Is there a likelihood that that the trademark may cause confusion or mistake or may

deceive purchasers that said product is the same as the other or is manufactured by the same company? In answering this question, the Supreme Court had, in many occasions, ruled that all the surrounding circumstances should be considered.

x x x

"4.2 Again, in *Etepha, A.G. vs. Director of Patents and Westmont Pharmaceuticals, Inc*⁴ the Supreme Court emphasized :

"A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be done from the view point of the prospective buyer. Some factors such as sound, appearance, form, style, shape, size or format, color, ideas connoted by the marks, the meaning, spelling and pronunciation of words used, and setting in which the words appear may be considered."

"4.3 Applying this test in the present case, it is readily evident that the similarities between Respondent-Applicant's mark 'AFFORDAMED' and Opposer's 'AFOR-AFFORDABILITY FOR FILIPINOS, OUR RESOLVE' and 'QUALITY AFORMEDS' completely undermined by the material differences of the two.

"4.3.1 First, as between Respondent-Applicant's "AFFORDAMED" and Opposer's 'AFOR-AFFORDABILITY FOR FILIPINOS, OUR RESOLVE', it is undeniable that they are completely different because of the following: i.) Respondent-Applicant's mark is composed of only one (1) word while the Opposer's mark is composed of six (6) words; ii.) the dominant feature of the Respondent-Applicant mark is the entire word 'AFFORDAMED' while the dominant feature of the Opposer's mark is hardly identifiable. Thus, borrowing the Latin phrase quoted by the Opposer, this is a clear case of *Res Ipsa Loquitur*;

"4.3.2 Second, the difference between Respondent-Applicant's 'AFFORDAMED' and the Opposer's 'QUALITY AFORMEDS' is likewise glaring as shown under the following: i.) Respondent-Applicant's mark is composed of one (1) word while the Opposer's is composed of two (2) words 'QUALITY' and 'AFORMEDS'; ii.) by sound and appearance the two marks are not same;

At any rate, even assuming for the sake of argument that that the word 'AFORMEDS' is the dominant feature of the Opposer's mark, still, the possibility of confusion is very remote. Consider the following: i.) Respondent-Applicant's mark has two (2) letter 'F' while the Opposer's has only one (1); ii.) the Respondent-Applicant's mark ends with letter 'D' while the Opposer's ends with letter 'S'; iii.) the third syllable of the Respondent-Applicant's mark ("DA") is different from that of the opposer's 'MEDS'.

"4.3.3. Third, as regards the alleged family of 'AFOR' marks, the documents submitted by Opposer would clearly show that they are not in any way similar to the Respondent-Applicant's mark 'AFFORDAMED'.

4.4 With these differences, one can at once be impressed more by the dissimilarities than by the similarities in such a way that no confusion would likely occur.

4.5 The extent of confusion can be gauged from the consumer's viewpoint.

⁴ G.R. No. L-20635 March 31, 1966.

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6. From the foregoing, it is abundantly clear that there is no valid reason for the opposition of the application for registration of the Respondent-Applicant's trademark 'AFFORDAMED'.^{xxx}

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 02 March 2012. On 19 April 2012, the Bureau's ADR Services submitted a report that the parties refused to undergo mediation. During the preliminary conference on 15 May 2012, the preliminary conference was terminated and the parties were directed to submit position papers. On 01 June 2012, Opposer filed its Position Paper. Respondent did not submit a Position Paper.

Should the Respondent-Applicant be allowed to register the mark "AFFORDAMED"?

The essence of trademark registration is to give protection to the owners of trademarks. 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.⁵ Thus, Sec. 123.1 (d) of the IP Code provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

The records show that at the time the Respondent-Applicant filed its application for the mark AFFORDAMED on 04 April 2011, the Opposer already has an existing registration for the trademark 'AFOR-AFFORDABILITY FOR FILIPINOS, OUR RESOLVE' and 'QUALITY AFORMEDS' issued in 2009. Respondent-Applicant's mark AFFORDAMED is used on "*pharmaceutical preparations, sanitary preparations for medical purposes, dietetic substances, food for babies, disinfectants, materials for dressing*" under Class 05 while that of Opposer's is also used on goods under Class 05.

But are the competing marks, as shown below, identical or similar or resemble each other such that confusion, mistake or deception is likely to occur?

AFOR

AFOR • Affordability for Filipinos

QUALITY AFORMEDS

Opposer's Marks

⁵See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

AFFORDAMED

Respondent-Applicant's Mark

There is no doubt that Respondent-Applicant's mark is confusingly similar to the Opposer's. Confusion is likely in this instance because of the resemblance of the competing trademarks. The competing marks contain the word "AFOR" which constitute the Opposer's trademark. While another letter "F" is inserted between the letters "F" and "O" to the word "AFOR" to produce the word "AFFOR" and adding the syllables "DA" and "MED" to Respondent-Applicant's mark to differentiate it from Opposer's mark, still there is a likelihood that consumers or the public will be confused, mistaken or deceived that the goods upon which the competing marks are used come from the same source or origin because of the presence of the word "AFOR". Also, Respondent-Applicant's mark is almost identical with Opposer's mark QUALITY AFORMEDS. Both AFORMEDS and AFFORDAMED connotes the same meaning or impression, that is, "affordable medicine", which the consumers will likely remember or recall. The marks also are mere word marks written in plain printed font and contains no other feature that could help the consumers distinguish one from the other. Aptly, confusing similarity is to be determined on the basis of visual, aural, connotative comparisons and overall impressions engendered by the marks in controversy as they are encountered in the realities of the marketplace.⁶ Thus, the registration of Respondent-Applicant's AFFORDAMED mark would likely lead the public to believe that it is just one of the variations of Opposer's marks because of its similarity to the latter's mark and considering that the marks are used on similar and/or related goods.

Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other⁷. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark or trade name with that of the other mark or trade name in their over-all presentation or in their essential, substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article.⁸

It is stressed that the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application for registration, the law does not require that the competing

⁶ *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217

⁷ *Supra*.

⁸ See *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.

trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.⁹

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-003845, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 31 March 2016.


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

⁹ See *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.