

NOVARTIS AG,
Opposer,

-versus-

PANACEA BIOTECH LTD.,
Respondent- Applicant.

X-----X

}
} **IPC No. 14-2011-00499**
} Opposition to:
} Appln. Serial No. 4-2011-005630
} Date Filed: 17 May 2011
} **TM: "GLIZID"**

NOTICE OF DECISION

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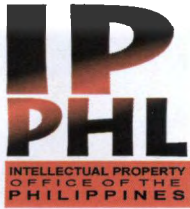
GREETINGS:

Please be informed that Decision No. 2016 - 99 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



NOVARTIS AG,
Opposer,

versus-

PANACEA BIOTECH LTD.,
Respondent-Applicant.

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IPC NO. 14-2011-00499

Opposition to:
Appln. Ser. No. 4-2011-005630
Filing Date: 17 May 2011
Trademark: GLIZID

Decision No. 2016 - 99

DECISION

NOVARTIS AG¹ ("Opposer") filed a Verified Opposition to Trademark Application No. 4-2011-005630. The application, filed by PANACEA BIOTECH LTD.² ("Respondent-Applicant") covers the mark GLIZID for use on "*medicines for human purpose: pharmaceutical preparations (oral); tablets for pharmaceutical purposes*" under Class 05 of the International Classification of goods³.

The Opposer alleges the following:

"3. The trademark GLIZID being applied for by the respondent-applicant is confusingly similar to opposer's trademark CLIZID, as to be likely, when applied to or used in connection with the goods of respondent-applicant, to cause confusion, mistake and deception on the part of the purchasing public.

"4. The registration of the trademark GLIZID in the name of the Respondent will violate Sec. 123.1 subparagraph (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, to wit :

x x x

"5. The registration and use by respondent-applicant of the trademark GLIZID will diminish the distinctiveness and dilute the goodwill of opposer's trademark CLIZID.

"6. The registration of the trademark GLIZID in the name of respondent-applicant is contrary to other provisions of the Intellectual Property Code of the Philippines."

The Opposer's evidence consists of the following:

1. Exhibit "A" - copy of the Certificate of Registration No. 4-2002-006467 for the trademark CLIZID;
2. Exhibit "B" - copy of the Certificate of Product Registration No. DRP-1256 issued by the Food and Drug Administration;

¹ A corporation duly organized and existing under the laws of Switzerland with principal office located at 4002 Basel, Switzerland

² A foreign corporation organized and existing under the laws of India with address at B-1 Extn./A-27, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi 110 044 India

³ The 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.

Republic of the Philippines
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3. Exhibits "C" - product packaging of the goods bearing the mark CLIZID;
4. Exhibits "D" and "E" - Invoices for products bearing the mark CLIZID;
5. Exhibit "F" - certified true copy of the duly authenticated Corporate Secretary's Certificate;
6. Exhibits "G" to "G-7" - Legalized Joint Affidavit-Testimony of Marcus Goldbach and Andrea Felbermeir; and
7. Exhibits "H" to "H-3" - pages from Novartis AG's Annual Report for the year 2010.

This Bureau issued on 18 January 2012 a Notice to Answer and personally served a copy thereof to the Respondent-Applicant's counsel Sycip Salazar Hernandez & Gatmaitan on 02 February 2012. Despite receipt of the Notice, the Respondent-Applicant failed to file the Answer. On 10 December 2012, this Bureau issued an Order declaring Respondent-Applicant in default. Accordingly, pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended, the case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer.

Should the Respondent-Applicant be allowed to register the mark GLIZID?

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.⁴ 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 GLIZID on 17 May 2011, the Opposer already has an existing registration for the trademark CLIZID issued on 24 September 2005, covering goods falling under Class 05, namely, *"pharmaceutical preparation for the prevention and/or treatment of disorders of the nervous system, the immune system, the cardio-vascular system, the respiratory system, the musculo-skeletal system, the genitoury system, for the treatment of inflammatory disorders, for use in dermatology, in oncology, in ophthalmology, for use in the gastroenterological area and the prevention and treatment of ocular disorder of diseases"* under Class 05. On the other hand, the Respondent-Applicant's trademark application indicates that the mark is for use on *"medicines for human purpose: pharmaceutical preparations (oral); tablets for pharmaceutical purposes"* also under Class 05. This broad coverage would include therefore, pharmaceutical products covered by the Opposer's trademark registration.

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?

CLIZID

GLIZID

Opposer's Mark

Respondent-Applicant's Mark

A perusal of the composition of the competing trademarks involved in this case show

⁴ See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

that both marks are similar. The only difference appreciable between the two marks is the first letter wherein Opposer's mark CLIZID starts with a "C" while that of Respondent-Applicant starts with the letter "G", which pales into insignificance because of the similarity of the other letters in the competing marks. Furthermore, the subject marks may differ in spelling but when Respondent-Applicant's GLIZID mark is pronounced, it produces the same sound as that of Opposer's CLIZID mark. Trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing. Thus, when one talks about the Opposer's trademark or conveys information thereon, what reverberates is the sound made in pronouncing it. The same sound is practically replicated when one pronounces the Respondent-Applicant's mark.

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 other⁵. 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 article⁶.

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 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.⁷ The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:⁸

Callman notes two types of confusion. 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 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.

It has been held time and again that in cases of grave doubt between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favour with the public, any doubt should be resolved against the newcomer in as much as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.⁹

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application

⁵ See *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217.

⁶ See *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.

⁷ See *American Wire and Cable Co. v. Director of Patents et al.*, G.R. No. L-26557, 18 Feb. 1970.

⁸ See *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.


⁹ See *Del Monte Corporation et. al. v. Court of Appeals*, GR No. 78325, 25 Jan. 1990.

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. 4-2011-005630, 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