

UNITED AMERICAN
PHARMACEUTICALS, INC., }
Opposer, }
-versus- }
AMBICA INTERNATIONAL TRADING }
CORPORATION, }
Respondent-Applicant. }
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IPC No. 14-2014-00414
Opposition to:
Application No. 4-2014-005487
Date Filed: 06 May 2014
Trademark: "FOLEXCEL"

NOTICE OF DECISION

OCHAVE & ESCALONA

Counsel for Opposer
No. 66 United Street
Mandaluyong City

GENER CABOTAJE SANSAET

Counsel for Respondent-Applicant
West Tower 2005-A, PSE Center, Exchange Road
Ortigas City

GREETINGS:

Please be informed that Decision No. 2016- 336 dated 29 September 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 29 September 2016.


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

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

Intellectual Property Center # 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio,
Taguig City 1634 Philippines • www.ipophil.gov.ph
T: +632-2386300 • F: +632-5539480 • mail@ipophil.gov.ph

UNITED AMERICAN PHARMACEUTICALS, INC. <i>Opposer,</i> -versus- AMBICA INTERNATIONAL TRADING CORPORATION, <i>Respondent-Applicant.</i>	IPC No. 14-2014-00414 Opposition to: Application No. 4-2014-005487 Date Filed: 06 May 2014 Trademark: "FOLEXCEL" <i>Decision No. 2016- <u>236</u></i>
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DECISION

UNITED AMERICAN PHARMACEUTICALS, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-005487. The application, filed by Ambica International Trading Corporation² ("Respondent-Applicant"), covers the mark "FOLEXCEL" for use as "*pharmaceutical preparations namely vitamin*" 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 mark 'FOLEXCEL' filed by Respondent-Applicant so resembles the trademark 'FLOXEL' owned by Opposer and duly registered with the IPO prior to the publication for opposition of the mark 'FOLEXCEL'.

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

"9. The registration of the mark 'FOLEXCEL' 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 domestic corporation duly organized and existing under the laws of the Philippines with office address at 132 Pioneer Street, Mandaluyong City, Philippines.

²With address at #9 Amsterdan Extension, Merville Park Subdivision, Paranaque 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.

Under the above-quoted provision, any mark which is similar to a registered mark, shall be denied registration in respect of similar or related goods or 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 'FLOXEL'. Opposer is engaged in the marketing and sale of a wide range of pharmaceutical products.

"10.1. The trademark application for the trademark 'FLOXEL' was filed with the IPO on 26 August 1999 by Opposer's sister company, Medichem Pharmaceuticals, Inc. ('Medichem') and was approved for registration on 17 January 2005 to be valid for a period of ten (10) years, or until 17 January 2015. A certified true copy of the Certificate of Registration No. 4-1999-006295 for the trademark 'FLOXEL' is hereto attached and made an integral part hereof as Exhibit "B".

"10.2. In the meantime, on 22 August 2013, Medichem assigned the trademark 'FLOXEL' to herein Opposer. A certified true copy of the Assignment of Registered Trademark is hereto attached and made an integral part hereof as Exhibit 'C'.

"10.3. Thus, the registration of the trademark 'FLOXEL' subsists and remains valid to date.

"11. The trademark 'FLOXEL' has been extensively used in commerce in the Philippines.

"11.1. Opposer has dutifully filed a Declaration of Actual Use and Affidavit of Use pursuant to the requirement of the law. Certified true copies of the Declaration of Actual Use and Affidavit of Use are hereto attached and made integral parts hereof as Exhibit 'D', and 'E', respectively.

"11.2. A sample product label bearing the trademark 'FLOXEL' actually used in commerce is hereto attached and made an integral part hereof as 'Exhibit 'F''.


"11.3. In order to legally market, distribute and sell this pharmaceutical preparation in the Philippines, Opposer registered the product with the Food and Drug Administration ('FDA'). A certified true copy of the Certificate of Product Registration issued by the FDA for the trademark 'FLOXEL' is hereto attached x x x

"11.4. 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 'FLOXEL' as one of the leading brands in the Philippines in the category of


'J01G-Fluoroquinolones' in terms of market share and sales performance. The Certification and sales performance is hereto attached and made an integral part hereof as Exhibit 'H'.

"11.5. By virtue of the foregoing, there is no doubt that Opposer has acquired an exclusive ownership over the trademark 'FLOXEL' 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 'FOLEXCEL' will be contrary to Section 123.1 (d) of the IP Code. 'FOLEXCEL' is confusingly similar to Opposer's trademark 'FLOXEL'.

"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 Ethepe 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 dominancy test in determining confusing similarity or likelihood of confusion between competing trademarks.'

"12.1.5. In fact, the dominancy 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 dominancy test in the instant case, it can be readily concluded that Respondent-Applicant's mark 'FOLEXCEL' so resembles Opposer's trademark 'FLOXEL' that it will likely cause confusion, mistake and deception on the part of the purchasing public.

"12.1.6.1. 'FOLEXCEL' appears and sounds almost the same as Opposer's trademark 'FLOXEL'.

"12.1.6.2. Both marks start with the letter 'F'.

"12.1.6.3. The last syllable of Respondent-Applicant's mark '/FO/-/LEX/-/CEL/' is similarly pronounced with the last syllable of Opposer's trademark '/FLO/-/XEL/'.

"12.1.7. Clearly, Respondent-Applicant's mark 'FOLEXCEL' adopted the dominant features of Opposer's trademark 'FLOXEL'.

"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 'FLOXEL' and Respondent-Applicant's mark 'FOLEXCEL' 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 'FOLEXCEL' is applied for the same class and goods as that of Opposer's trademark 'FLOXEL' under Class 05 of the International Classification of Goods as Pharmaceutical Preparations.

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

x x x

"12.5. '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 'FOLEXCEL' undermines Opposer's right to its trademark 'FLOXEL'. As the lawful owner of the trademark 'FLOXEL', 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 'FLOXEL', 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 'FLOXEL', 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 'FOLEXCEL' is aurally confusingly similar to Opposer's trademark 'FLOXEL'.

x x x

"13.4. Further, the fact that Respondent-Applicant seeks to have its mark 'FOLEXCEL' registered in the same class (Nice Classification 05) as Opposer's trademark 'FLOXEL', coupled by the fact that both are Pharmaceutical Preparations, 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 'FLOXEL', 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 'FOLEXCEL' on its goods 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.'

[Handwritten signature]

"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 'FOLEXCEL' 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 'FLOXEL' 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. Respondent-Applicant's use of the mark 'FOLEXCEL' in relation to any of the goods covered by the opposed application, if these goods are considered not similar or closely related to the goods covered by Opposer's trademark 'FLOXEL', will take unfair advantage of, dilute and diminish the distinctive character or reputation of the latter mark.

"16. 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 'FOLEXCEL'.

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

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

The Opposer's evidence consists of a copy of the pertinent page of the IPO E-Gazette officially released on 11 August 2014; a copy of the Certificate of Registration No. 4-1999-006295 for the trademark "FLOXEL"; a copy of the Assignment of Registered Trademark for "FLOXEL"; copies of the Declaration of Actual Use and Affidavit of Use for the trademark "FLOXEL"; a sample product label bearing the trademark "FLOXEL"; a copy of the Certificate of Product Registration issued by the 

FDA for "FLOXEL"; and a copy of the Certification and sales performance for JO1G Fluoroquilonolones.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 09 October 2014. Said Respondent-Applicant filed their Answer on 09 December 2014. From receipt of the Answer, this Bureau issued Order No. 2015-041 requiring the Respondent-Applicant to submit the original Secretary's Certificate. The Respondent-Applicant, however, filed their Compliance beyond the ten-day period prescribed or only on 17 April 2015. Hence, the Respondent-Applicant was declared in default.

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

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 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 06 May 2014, the Opposer has an existing trademark registration for the mark FLOXEL under Reg. No. 4-1999-006295 issued on 17 January 2005. The registration covers "antibacterial pharmaceutical preparation" under Class 05. On the

⁴Marked as Exhibits "A" to "H".

other hand, the Respondent-Applicant's trademark application for FOLEXCEL covers "pharmaceutical preparations namely vitamin" under Class 05.

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

FloxeI

Opposer's trademark

FOLEXCEL

Respondent-Applicant's mark

This Bureau finds that while the pharmaceutical products indicated in Respondent-Applicant's trademark application are not exactly similar to those covered by the Opposer's registration, confusion is still likely to occur in this instance because of the close resemblance between the marks and that the goods are for human consumption. Respondent-Applicant's mark FOLEXCEL adopted the dominant features of Opposer's mark FLOXEL. FOLEXCEL appears and sounds almost the same as Opposer's trademark FLOXEL. The six (6) letters of both marks are the same. Both FLOXEL and FOLEXCEL marks start with the letter "F" and end with the same or similar sounding suffix XEL/CEL. Respondent-Applicant merely added a letter C and another letter E in Opposer's FLOXEL to come up with the mark FOLEXCEL. It could result to mistake with respect to perception because the marks sound so similar. Under the idem sonans rule, the following trademarks were held confusingly similar in sound: "BIG MAC" and "BIG MAK"⁵, "SAPOLIN" and LUSOLIN⁶, "CELDURA" and "CORDURA"⁷, "GOLD DUST" and "GOLD DROP". The Supreme Court ruled that similarity of sound is sufficient ground to rule that two marks are confusingly similar, to wit:

Two letters of "SALONPAS" are missing in "LIONPAS": the first letter a and the letter s. Be that as it may, when the two words are pronounced, the sound effects are confusingly similar. And where goods are advertised over the radio, similarity in sound is of especial significance...."SALONPAS" and "LIONPAS", when spoken, sound very much alike. Similarity of sound is sufficient ground for this Court to rule that the two marks are confusingly similar when applied to merchandise of the same descriptive properties.⁸

⁵ MacDonalds Corp, et. al v. L. C. Big Mak Burger ,G.R. No. L-143993,18 August 2004.

⁶ Sapolin Co. v. Balmaceda and Germann & Co,m 67 Phil, 705.

⁷ Co Tiong SA v. Director of Patents, G.R. No. L- 5378, 24 May 1954; Celanes Corporation of America vs. E. I. Du Pont de Nemours & Co (1946), 154 F. 2d 146 148.)

⁸ Marvex Commerical Co., Inc. v.Petra Hawpia & Co., et. al., G.R. No. L-19297,22 Dec. 1966.

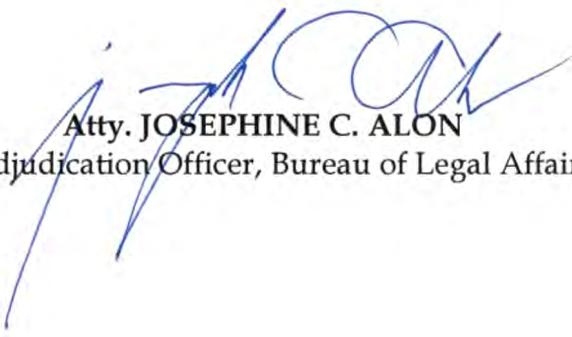
It is emphasized that the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public 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 product.⁹ This Bureau finds that the mark applied for registration by the Respondent-Applicant does not meet this function.

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

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-005487 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, 29 SEP 2016.


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

⁹ *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).