

WESTMONT PHARMACEUTICALS,
Opposer,

-versus-

CATHAY DRUG COMPANY, INC.,
Respondent-Applicant.

IPC NO. 14-2015-00493

Opposition to:
App. Serial No. 4-2015-001484
Date Filed: 11 February 2015
TM: "COXIDIA"

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NOTICE OF DECISION


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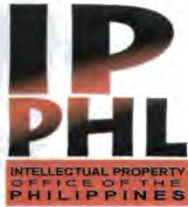
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1229 Makati City

GREETINGS:

Please be informed that Decision No. 2016 - 299 dated 31 August 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 31 August 2016.


Atty. **MARLITA V. DAGSA**
Adjudication Officer
Bureau of Legal Affairs



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DECISION

WESTMONT PHARMACEUTICALS ("Opposer"),¹ filed an opposition to the Trademark Application Serial No. 4-2015-001484. The application filed by CATHAY DRUG COMPANY, INC. ("Respondent-Applicant")², covers the mark "COXIDIA" for use on "pharmaceutical preparations namely, non-steroidal anti-inflammatory drug, treatment of rheumatoid arthritis and osteoarthritis and management of acute pain, dysmenorrheal and familial adenomatous polyposis (FAP)" under Class 05 of the International Classification of Goods.³

The Opposer alleges the following:

"7. The mark 'COXIDIA' applied for by Respondent-Applicant so resembles the trademark 'COXID' owned by Opposer and duly registered with this Honorable Bureau prior to the publication for opposition of the mark 'COXIDIA'.

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

"9. The registration of the mark 'COXIDIA' in the name of the Respondent-Applicant will violate Section 123. 1 (d) of the IP Code, which provides, in part, that 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
- iii. If it nearly resembles such a mark as to be likely to deceive or cause confusion;'

"10. Under the above-quoted provision, any mark which is similar to a registered mark shall be denied registration in respect of same, similar or related goods or if the mark applied for nearly

¹ A domestic corporation with principal office address at Bonaventure Plaza, Ortigas Avenue, Greenhills, San Juan City.

² A domestic corporation with address at 2nd Floor Vernida I, Amorsolo Street, Legaspi Village, Makati City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

resembles a registered mark that confusion or deception in the mind of the purchasers will likely result.

"11. Respondent-Applicant's use and registration of the mark 'COXIDIA' will diminish the distinctiveness of Opposer's mark 'COXID'."

Opposer's evidence consists of the following:

1. Exhibit "A" – Copy of the pertinent page of IPO e-Gazette dated 21 September 2015;
2. Exhibit "B" – certified copy of the Trademark Registration No. 4-2014-001346 for the mark COXID;
3. Exhibit "C" - certified copy of Product Registration No. DRP -4285;
4. Exhibits "D"- sample product label bearing the mark COXID; and
5. Exhibit "E" – Certification and sales performance by the IMS;

This Bureau issued on 06 November 2015 a Notice to Answer and personally served a copy thereof to the Respondent-Applicant on 24 November 2015. On 04 January 2016, Respondent-Applicant filed the Answer alleging, among others, that the Respondent-Applicant's mark 'COXIDIA' is not confusingly similar to Opposer's 'COXID' mark. It also posits that the nature of the products and the circumstances under which the products are sold render confusion of goods and business impossible.

Respondent-Applicant's evidence consists of the following:

1. Exhibit "1" - Secretary's Certificate;
2. Exhibit "2" - Affidavit of Nona F. Crisol;
3. Exhibit "3" - Application for the mark COXIDIA filed on 12 January 2012;
4. Exhibit "4" - copy of Sales Invoice No. 294650 dated 16 January 2014; and
5. Exhibit "5" - copy of Sales Invoice No. 295539 dated 27 February 2014.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 07 January 2016. On 01 February 2016, the Bureau's ADR Services submitted a report that the parties refused to undergo mediation. The preliminary conference was terminated on 14 March 2016 and the parties were directed to submit position papers. On 20 May 2016, the parties submitted their respective Position Papers.

Should the Respondent-Applicant be allowed to register the mark **COXIDIA**?

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 mark of Respondent-Applicant is reproduced below:

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



COXID

Opposer's Mark

COXIDIA

Respondent-Applicant's Mark

It appears that Opposer's COXID and Respondent-Applicant's COXIDIA are confusingly similar. Respondent-Applicant's mark also contain the word COXID plus the letters "I" and "A" to form the mark COXIDIA. Both marks are written in uppercase letters and almost the same kind of font. Aside from the letters "I" and "A" after the word COXID in Respondent-Applicant's mark, the only other difference between them is that Opposer's mark is written in bold letters while Respondent-Applicant's is not. Despite this, their similarities are more visually noticeable than their differences such that it will likely cause confusion, mistake or even deception to the public.

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.

The likelihood of confusion between the marks of the parties are made more evident because both marks are used on the same goods, that is, *pharmaceutical preparation for treatment of rheumatoid arthritis, osteoarthritis, management of acute pain and dysmenorrhea*. Because they are used on similar or related goods, there is likelihood that any impression, perception or information about the goods advertised under the mark COXIDIA may be unfairly attributed or confused with Opposer's COXID, and vice versa.

However, Respondent-Applicant claims that its use of the mark COXIDIA precedes that of Opposer's use of COXID.

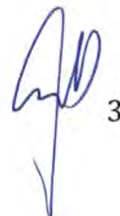
Records will show that Respondent-Applicant originally filed its application for the mark COXIDIA on 12 January 2012 under Application Serial No. 04-2012-00454 and was registered on 11 October 2012. But its registration was removed from registry due to non-filing of the Declaration of Actual Use ("DAU"). Meanwhile, Opposer applied for registration of the mark COXID on 03 February 2014 and was granted registration on 29 May 2014. It was only on 11 February 2015 that Respondent-Applicant filed again an application for registration of the mark COXIDIA. So between Opposer and Respondent-Applicant, Opposer was first to file the mark COXID compared to the 2015 application of Respondent-Applicant's COXIDIA.

But did Respondent-Applicant abandon its right over its mark COXIDIA when it failed to file the DAU causing the removal of its mark from the registry?

Generally, abandonment means the complete, absolute or total relinquishment or surrender of one's property or right, or the voluntary giving up or non-enjoyment of such property or right for a period of time which results in the forfeiture or loss thereof. It requires the concurrence of the

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.



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intention to abandon it and some overt acts from which it may be inferred not to claim it anymore.⁷ To work abandonment, the disuse must be permanent and not ephemeral; it must be intentional and voluntary, and not involuntary or even compulsory. There must be a thorough ongoing discontinuance of any trade-mark use of the mark in question.⁸ Applying the said concept to ownership or registration of trademarks, in order for a trademark registration to be considered as abandoned, the owner/registrant must relinquish or voluntarily surrender its rights over the trademark. In the instant case, there is no overt act from which it can be inferred that Respondent-Applicant has abandoned its right over the mark COXIDIA. Respondent-Applicant showed that despite the removal of its mark from the registry, it still used the mark in its goods as evidenced by the Sales Invoices dated January and February 2014, which dates are prior to Opposer's application date of the mark COXID.

In **Berris v. Norvy Abdayang** , the Supreme Court held:

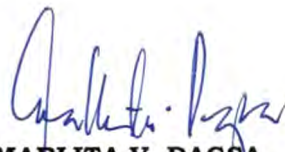
The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes prima facie evidence of the validity of the registration, of 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. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, **the prima facie presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, i.e., it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce.** [Emphasis supplied.]

Accordingly, Opposer's registration cannot be used to oppose the registration of a mark which has been used in commerce prior to its application and registration and which is still in use up to the present.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filer wrapper of Trademark Application Serial No. 4-2015-001484, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, **31 AUG 2016**


MARLITA V. DAGOSA
Adjudication Officer
Bureau of Legal Affairs

⁷ *Agpalo, Ruben E., Legal Words and Phrases, 1997 Ed., page 1.*

⁸ *Philippine Nut Industry vs. Standard Brands, Incorporated, Et. al., G.R. No. L-23035. July 31, 1975 citing Callman, Unfair Competition and Trademark, 2nd Ed., p. 1341)*