

MEDICHEM PHARMACEUTICALS, INC. }
Opposer, }
 -versus- }
 SUHITAS PHARMACEUTICALS, INC., }
Respondent-Applicant. }
 x-----x

IPC No. 14-2014-00166
 Opposition to:
 Application No. 4-2013-0011614
 Date Filed: 26 September 2013
 Trademark: "RESORAN"

NOTICE OF DECISION

OCHAVE & ESCALONA
 Counsel for the Opposer
 No. 66 United Street
 Mandaluyong City

SUHITAS PHARMACEUTICALS INC.
 Respondent-Applicant
 3F Centrepoint Building
 Pasong Tamo corner Export Bank Drive
 Makati City

GREETINGS:

Please be informed that Decision No. 2016- 316 dated 15 September 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 15 September 2016.


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

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 Trademark: "RESORAN"
 Decision No. 2016- 316

DECISION

MEDICHEM PHARMACEUTICALS, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2013-0011614. The application, filed by SUHITAS PHARMACEUTICALS INC.² ("Respondent-Applicant"), covers the mark "RESORAN" for use as "*pharmaceutical (antibacterial)*" 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 'RESORAN' applied for by Respondent-Applicant so resembles the trademark 'TUSERAN' owned by Opposer and duly registered with this Honorable Bureau prior to the application for the mark 'RESORAN'.

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

"9. The registration of the mark 'RESORAN' in the name of the Respondent-Applicant will violate Sec. 123.1 (d) of the IP Code, which provides, in part, that a mark cannot be registered if it:

x x x

¹A domestic corporation organized and existing under the laws of the Philippines with office address at No. 132 Pioneer Street, Mandaluyong City, Metro Manila, Philippines.

²With address at 3F Centrepoint Bldg., Pason gTamo cor. Export Bank Drive, Makati 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.

"10. Respondent-Applicant's use and registration of the mark 'RESORAN' will diminish the distinctiveness of Opposer's trademark 'TUSERAN'.

"ALLEGATIONS IN SUPPORT OF THE OPPOSITION

"In support of this Verified Notice of Opposition, Opposer will rely upon and prove the following facts:

"11. Opposer is the registered owner of the trademark 'TUSERAN'. It is engaged in the marketing and sale of a wide range of pharmaceutical products.

"11.1. The trademark application for the trademark 'TUSERAN' was originally filed with the Philippine Patent Office on 29 July 1963 by Opposer and was approved for registration on 20 February 1964 and valid for a period of twenty (20) years, or until 20 February 1984. x x x

"11.2. Prior to the lapse of the twenty (20) year term, Opposer filed for the renewal of the registration thereof, which was approved for another period of twenty (20) years, or until 20 February 2004. x x x

"11.3. Again, prior to the lapse of the twenty (20) year term, Opposer-Appellant filed for the renewal of the registration thereof, which was approved for another period of twenty (20) years, or until 20 February 2014. x x x

"11.4. Prior to the lapse of the twenty (20) year term, on 12 February 2014, Opposer-Appellant filed a Petition for Renewal of Registration with the IPO. x x x

"11.5. Thus, the registration of the trademark 'TUSERAN' subsists and remains valid to date.

"12. The trademark 'TUSERAN' has been extensively used in commerce in the Philippines.

"12.1. Opposer has dutifully filed Affidavits of Use pursuant to the requirement of law. Certified true copies of the Affidavits of Use are attached hereto x x x

"12.2. A sample product label bearing the trademark 'TUSERAN' actually used in commerce is hereto attached as x x x.

"12.3. 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 one hundred (100) countries, acknowledged and listed the brand 'TUSERAN' as one of the leading brands in the Philippines in the category of 'R05A Cold Preparations' in terms of market share and sales

performance. The certification and sales performance issued by the IMS is attached hereto as x x x

"12.4. In order to legally market, distribute and sell this pharmaceutical preparation in the Philippines, the product has been registered with the Food and Drugs Administration. As evidence of such registration a copy of Certificate of Product Registration No. DR-XY16850 for 'TUSERAN' is attached hereto x x x

"13. By virtue of the foregoing, there is no doubt that Opposer has acquired an exclusive ownership over the trademark, 'TUSERAN' to the exclusion of all others.

"14. 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.'

"15. The registration of Respondent-Applicant's mark 'RESORAN' will be contrary to Section 123.1 (d) of the IP Code. 'RESORAN' is confusingly similar to Opposer's trademark 'TUSERAN'.

"15.1. 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.

"15.1.1. In fact, in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals (356 SCRA 207, 216 [2001])*, the Supreme Court, citing *Ethepa 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."

"15.1.2. 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."

"15.1.3. 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

"15.1.4. 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.'

"15.1.5. 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])

"15.1.6. Thus, applying the dominancy test in the instant case, it can be readily concluded that the mark 'RESORAN', owned by Respondent-Applicant, so resembles Opposer's trademark 'TUSERAN', that it will likely cause confusion, mistake and deception on the part of the purchasing public.

"15.1.6.1. Respondent-Applicant's mark 'RESORAN' appears and sounds almost the same as Opposer's trademark 'TUSERAN'.

"15.1.6.2. The third and last three (3) letters of Respondent-Applicant's mark 'R-E-S-O-R-A-N' are exactly the same as in Opposer's trademark 'T-U-S-E-R-A-N'.

"15.1.6.3. Both marks are composed of seven (7) letters.

"15.1.6.4. Both marks are composed of three (3) syllables, i.e., Respondent-Applicant's mark RE/SO/RAN and Opposer's mark TU/SE/RAN.

"15.1.7. Clearly, Respondent-Applicant's mark 'RESORAN' adopted the dominant features of the Opposer's trademark 'TUSERAN'.

"15.1.8. As further ruled by the High Court in McDonald's Corporation case (supra p. 33-34 [2004]): x x x

"15.1.9. In American Wire & Cable Co., vs. Director of Patents (31 SCRA 544, 547-548 [1970]), the Supreme Court explained:

x x x

"15.2. Opposer's trademark 'TUSERAN' and Respondent-Applicant's mark 'RESORAN' are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.

"15.3. Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed mark 'RESORAN' is applied for the same class and goods as that of Opposer's trademark 'TUSERAN' under Class 05 of the International Classification of Goods for pharmaceutical preparations.

"15.4. Opposer's intellectual property right over its trademark is protected under Section 147.1 of the IP Code, which states: x x x

"16. To allow Respondent-Applicant to market its products bearing the mark 'RESORAN' undermines Opposer's right to its trademark 'TUSERAN'. As the lawful owner of the trademark 'TUSERAN', 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.

"16.1. Being the lawful owner of 'TUSERAN', 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.

"16.2. By virtue of Opposer's ownership of the trademark 'TUSERAN', it also has the right to prevent third parties, such as Respondent-Applicant, from claiming ownership over Opposer's trademark or any depiction similar thereto, without its authority or consent.

"16.3. Moreover, following the illustrative list of confusingly similar sounds in trademarks cited in the McDonald's Corporation case (supra, p. 34 [2004]), it is evident that Respondent-Applicant's mark 'RESORAN' is aurally confusingly similar to Opposer's trademark 'TUSERAN': x x x

"16.4. Further, the fact that Respondent-Applicant seeks to have its mark 'RESORAN' registered in the same class (Nice Classification 05) as Opposer's trademark 'TUSERAN' will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

"17. The registration and use of Respondent-Applicant's confusingly similar mark 'RESORAN' 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 the Opposer.

"17.1. 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 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 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.'

"17.2. 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])

"17.3. Applying the foregoing to the instant case, to allow Respondent-Applicant to use its mark 'RESORAN' 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 with the mark 'RESORAN' originated from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'TUSERAN' product of Opposer, when such connection does not exist.

"17.4. In *Canon Kabushiki Kaisha vs. Court of Appeals* (336 SCRA 266, 275 [2000]), the Supreme Court explained that: x x x

"17.5. 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, there is undoubtedly also a confusion of the origin of goods covered by the mark of Respondent-Applicant and trademark of Opposer, which should not be allowed.

"18. In case of grave doubt, the rule is that, '[a]s between a newcomer who by confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer inasmuch as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.' (*Del Monte Corporation, et. al. vs. Court of Appeals*, 181 SCRA 410, 420 [1990])

"19. Respondent-Applicant's use of the mark 'RESORAN' 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 'TUSERAN', will undermine the distinctive character or reputation of the latter trademark. 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 'RESORAN'.

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

"21. In support of the foregoing, the instant Notice of Opposition is herein verified by Ms. Maria Merza C. Alejandrino, which will likewise serves as her 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 released on 24 March 2014; a copy of Principal Register No. 10860; a copy of Certificate of Renewal No. 3254; a copy of Certificate of Renewal of Registration No. R-3254 for the mark TUSERAN; a copy of the Petition for Renewal of Registration filed with the IPO on 12 February 2014; copies of Affidavits of Use; a sample product label bearing the trademark TUSERAN actually used in commerce; a copy of the Certification and sales performance issued by the IMS; and a copy of Certificate of Product Registration No. DR-XY16850 for TUSERAN.⁴

⁴Marked as Annexes "A" and "B".

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 07 May 2014. Said Respondent-Applicant, however, did not file an Answer.

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

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 29 September 2013, the Opposer has an existing trademark registration for the mark TUSERAN under R-3254 which was first issued on 20 February 1964. The registration covers "non-narcotic cough tablet" under Class 05. Respondent-Applicant's trademark application, on the other hand, covers the mark RESORAN for use as "pharmaceutical (antibacterial)" under Class 05.

The competing marks are shown below:



TUSERAN

RESORAN

Opposer's trademark

Respondent-Applicant's mark

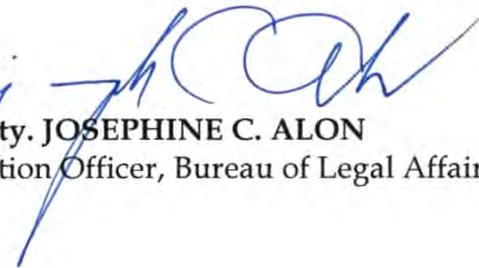
Although the contending marks have the same number of syllables and the last syllable "RAN", this Bureau finds that the confusion or deception is unlikely to occur in this instance. To determine whether two marks that contain the suffix "RAN" are confusingly similar, there is a need to examine the other letters or components of the trademarks. In this regard, when the syllables "RESO" is appended to a suffix "RAN", the resulting mark when pronounced can be distinguished from TUSERAN. Moreover, the pharmaceutical products covered by the Opposer's mark are different from those indicated in the Respondent-Applicant's trademark application. Opposer's TUSERAN is a non-narcotic cough tablet while Respondent-Applicant's RESORAN is an antibacterial medication.

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 This Bureau finds that the Respondent-Applicant's mark sufficiently serves this function.

WHEREFORE, premises considered, the instant Opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2013-00011614 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 15 SEP 2016.


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

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