

INSTITUT PASTEUR,
Petitioner,

-versus-

HEXAGON CHEMICAL CORPORATION,
Respondent- Registrant.

}
} IPC No. 14-2012-00114
} Cancellation of:
} Registration No. 4-2012-001590
} Date Issued: 26 March 2007
} TM: "PASTEUR
} PHARMACEUTICAL SALES"

X-----X

NOTICE OF DECISION

**ROMULO MABANTA, BUENAVENTURA
SAYOC & DE LOS ANGELES**
Counsel for Petitioner
21st Floor, Philamlife Tower
8767 Paseo de Roxas, Makati City

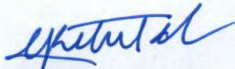
HEXAGON CHEMICAL CORPORATION
Respondent-Registrant
3rd floor, SGS Foundation Building
1335 G. Araneta Avenue, Quezon City

GREETINGS:

Please be informed that Decision No. 2016 - 482 dated December 22, 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, December 23, 2016.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

INSTITUT PASTEUR,

Petitioner,

-versus-

HEXAGON CHEMICAL CORPORATION,

Respondent-Registrant.

x-----x

IPC No. 14-2012-00114

Cancellation of:

Registration No. 4-2002-001590

Date Issued: 26 March 2007

Trademark: "PASTEUR
PHARMACEUTICAL SALES"

Decision No. 2016- 482

DECISION

INSTITUT PASTEUR¹ ("Petitioner") filed a petition to cancel Trademark Registration No. 4-2002-001590. The registration, issued in favor of Hexagon Chemical Corporation² ("Respondent-Registrant"), covers the mark "PASTEUR PHARMACEUTICAL SALES" for use on "*pharmaceutical products specifically antibiotics (antibacterial, antiviral, antifungal, anti-amoebiasis), analgesics, antipyretics, non-steroidal anti-inflammatory drugs (NSAIDS), anti-diabetics, antituberculosis, antihypertensives, anti-ulcerants, antihistamines, antispasmodics/gastrokinetics, anti-emetic, anti-malarial, anti-asthma, antihelminitics, anti-epileptic, oral contraceptives, diuretics, steroids, vitamins, anti-anemics*" under Class 05 and "*diagnostic devices namely: pregnancy test kit, pap smear kit test, glucometer, sphygmomanometer, hepa test kit, hiv test kit, stethoscope, contraceptive devices namely: IUD, tubal rings, condom, contraceptive patches*" under Class 10 of the International Classification of Goods and Services.³

The Petitioner alleges:

x x x
"GROUNDS FOR OPPOSITION"

"The grounds for the petition for cancellation are as follows:

"1. Petitioner INSTITUT PASTEUR has the sole right to protect the name of Louis Pasteur (see authorization of the heir of Louis Pasteur in Annexes "A" and "A-1") and is the owner of the trademark PASTEUR, which also forms part of its name, and which has been granted by the Intellectual Property Office Certificate of Registration No. 4-2002-010315 on October 9, 2006 for goods "pharmaceutical and veterinary preparations, namely, anti-tuberculosis, anti-botulinal, anti-whooping cough, anti-diphtheric, anti-venomous, anti-cancerous, anti-influenzas, anti-poliomyelitis, anti-rabies, and

¹ A private non-profit French foundation with address at 25-28 Rue du Docteur Roux, 75015 Paris, France.

² With address at 3rd Floor, SGS Foundation Building, 1335 G. Araneta Avenue, Quezon City, Philippines.

³ The 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.

immunotherapeutic preparations such as serums, anti-gangrene, anti-tetanus sanitary preparations for medical purposes, dietetic substances adapted for medical use, food for babies; plasters, materials for dressings, material for stopping teeth, dental wax; disinfectants, preparations for destroying vermin, fungicides, herbicides", in class 5.

"2. Petitioner, as owner of the trademark PASTEUR has used the same on its name and has granted rights to use it in favor of its licensees for products long prior to Respondent-Registrant's above indicated registration of PASTEUR PHARMACEUTICAL SALES with the name PASTEUR as its dominant feature and which is deceptively and confusingly similar to Petitioner's mark PASTEUR.

"3. As owner and prior user of the mark PASTEUR which is well-known trademark worldwide of Petitioner, Petitioner has the exclusive right to use the mark PASTEUR but also to exclude any other person or entity from using any similar mark such as PASTEUR PHARMACEUTICALS SALES, which is confusingly similar to the trademark PASTEUR of Petitioner. Consequently, the registration of Respondent-Registrant's mark PASTEUR PHARMACEUTICALS SALES violated Petitioner's rights and interests in its trademark PASTEUR because PASTEUR PHARMACEUTICAL SALES is deceptively or confusingly similar to that of Petitioner's mark and/or the use by Respondent-Registrant of PASTEUR PHARMACEUTICAL SALES has caused and has likely caused confusion or deception in the public causing prejudice to Petitioner and weaken and/or dilute the strength, distinctiveness, quality, reputation and goodwill of Petitioner's trademark.

"4. The registration of Respondent-Registrant's mark PASTEUR PHARMACEUTICAL SALES violated Section 123(d) of R.A. 8293 and Section 6(bis) of the Paris Convention and Article 16(3) of the Agreement on Trade Related Aspects of Intellectual Property Rights to which the Philippines and France are parties thereto.

x x x

"5. Further, the registration of the mark PASTEUR PHARMACEUTICAL SALES in the name of Respondent-Registrant undoubtedly and necessarily resulted in the weakness of the mark of the Petitioner and erode the strength thereof and further damage the proprietary rights and interest of the Petitioner on its mark PASTEUR which, under the prevailing laws, are supposed to be protected.

"6. Accompanying this Petition is a certified copy of Petitioner's Certificate of Trademark Registration No. 4-2002-010315 (Annex "B"), as well as proofs of use of the service name INSTITUT PASTEUR by Petitioner (Annexes "C" to "C-10", inclusive).

"Petitioner will rely on the following facts:

"7. Since its creation in 1887, Petitioner has become famous throughout the world as a symbol of science and French culture. For 120 years, Petitioner has been contributing to the prevention and treatment of infectious diseases through a research of pharmaceutical products. Petitioner has granted exclusive rights to a licensee which is a manufacturer of pharmaceutical products in class 5 and other drugs. Petitioner is the owner of the mark PASTEUR, which by its licensee, has been actively promoting and selling in the market. Petitioner has been commercially using the trademark PASTEUR directly and indirectly prior to the (mis)appropriation and (mis)use of the confusingly similar trademark PASTEUR PHARMACEUTICAL SALES by Respondent-Registrant.

Attached is a brochure of the Petitioner company marked and made part hereof as Annex "D".

"8. Petitioner is the owner of the trademark PASTEUR, which has been registered in its name with the Intellectual Property Office, under the Department of Trade and Industry of the Republic of the Philippines. Petitioner has also used and registered the trademark PASTEUR in many countries worldwide. Attached is a list, with copies of certificates of registrations of the mark PASTEUR in different countries of the world, marked and made part hereof as Annexes "E" and "E-1" to "E-5", inclusive.

"9. Petitioner's trademark PASTEUR is a well-known trademark within the meaning of Section 6(bis) of the Paris Convention and Article 16(3) of the Agreement on Trade Related Aspects of Intellectual Property Rights Part III and Section 123(d) of R.A. 8293 and is, therefore, entitled to broad legal protection against unauthorized unscrupulous users like the Applicant who has (mis)appropriated it for its own goods, trying to benefit for the worldwide renown of Pasteur.


"10. Petitioner was the first user of the trademark PASTEUR on medicinal and pharmaceutical preparations more particularly as antibiotics, in class 5. Its licensee is also the sole authorized user of the mark PASTEUR.

"11. Respondent-Registrant's appropriation of the confusingly similar trademark PASTEUR PHARMACEUTICAL SALES clearly gives a false indication of a connection between Respondent-Registrant's drugs and that of Petitioner and will lead to the dilution of Petitioner's trademark PASTEUR to Petitioner's damage and prejudice, its proprietary rights and interests, as well as the rights and interests of the licensee of the Petitioner.

"12. Thus, Respondent-Registrant's PASTEUR PHARMACEUTICAL SALES as shown in the Certificate of Registration No. 4-20020001590 issued on March 26, 2007, which was obtained by Respondent-Registrant in violation of the Rules must be cancelled pursuant to the Rules.

"13. All the foregoing statements and declarations have been provided by the Director of Legal Affairs of Petitioner, Institut Pasteur, whose name is shown in the Verification Page as MARIE-FRANCOISE GLOMET, and who, by affixing her signature on the Verification Page of the instant Petition for Cancellation, also adopts the statements and declarations in the body of the instant Petition with their respective annexed proofs and supporting evidence as stated facts of the pertinent statements and declaration which establish the ownership of the mark PASTEUR and exposed the fraudulent claim of ownership thereof, as well as the use without authority by Respondent-Registrant of the mark PASTEUR in its tradename PASTEUR PHARMACEUTICAL SALES which is the subject of the instant Petition.

"14. Petitioner will pay the required filing fees.

The Petitioner's evidence consists of a copy of the authorization of the heir of Louis Pasteur; a copy of the Trademark Registration No. 4-2002-010315 for the mark PASTEUR issued on 09 October 2006; proof of use of the service name INSTITUT 

PASTEUR by Petitioner; a brochure of the Petitioner company; and copies of certificates of registrations of the mark PASTEUR in different countries of the world.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Registrant, Hexagon Chemical Corporation, on 10 May 2012. Said Respondent-Registrant, however, did not file an Answer.

Should Trademark Registration No. 4-2002-001590 issued in favor of Respondent-Registrant, for the trademark PASTEUR PHARMACEUTICAL SALES, be cancelled?

Sec. 151, IP Code, states in part that:

Sec. 151. *Cancellation.* - 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

(a) Within five (5) years from the date of the registration of the mark under this Act. x x x

This provision allows any person to file a petition to cancel a trademark registration if that person believes that he would be damaged by the registration. Once filed, the cancellation proceeding becomes, basically, a review of the trademark registration in question to determine if the legal requirements for registration have been satisfied and if the maintenance or continuance of Respondent-Registrant's trademark in the principal register would damage Petitioner.⁵

Section 138 of the IP Code provides:

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.

The trademark registration issued in favor of respondent-registrant constitutes *prima facie* evidence, hence, it is not conclusive and may be overturned by controverting evidence. Because of the presumption of validity, the burden of proof rests on Petitioner to prove that the registration of subject mark was invalid and that the

⁴ Marked as Annexes "A" to "E", inclusive.

⁵Sec. 154 of the IP Code provides:

154. *Cancellation of Registration.* - If the Bureau of Legal Affairs finds that a case for cancellation has been made out, it shall order the cancellation of the registration. When the order or judgment becomes final, any right conferred by such registration upon the registrant or any person in interest of record shall terminate. Notice of cancellation shall be published in the IPO Gazette. (Sec. 19, R.A. No. 166a)

original registrant is not the owner of the subject mark. Petitioner is required to submit substantial evidence to rebut the *prima facie* presumption of validity of Certificate of Registration No. 4-2002-001590.

Section 5 Rule 133 of the Rules of Court provides:

Sec. 5. *Substantial evidence.* - In cases filed before administrative or quasi-judicial bodies, a fact may be deemed established if it is supported by substantial evidence, or that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion. (n)"

Substantial evidences has been defined as follow:

"Due process in administrative process requires that evidences must be substantial, and substantial evidence means evidence that a reasonable mind might accept as adequate to support a conclusion." (China City Restaurant Corporation vs. NLRC, 217 SCRA 443 (1993) citing Associated Labor Union vs. NLRC, 189 SCRA 743 (1990))

"Substantial evidence which is the quantum of evidence required to establish a fact before administrative and quasi-judicial bodies is that amount of relevant evidence as a reasonable mind might accept as adequate to support a conclusion. It means such evidence which affords a substantial basis from which the fact in issue can be reasonably inferred" (Rubberworld (Phils.), Inc. vs. National Labor Relations Commissions, 175 SCRA 450); or "as adequate to justify a conclusion" (Remo Foods, Inc. vs. National Labor Relations Commission, 249 SCRA 379; Fulgeura vs. Linsangan, 251 SCRA 264).

In the case of Emerald Garment Manufacturing Corporation vs. Court of Appeals, 251 SCRA 600 (1995), the Supreme Court ruled:

"The findings of facts of the Director of Patents are conclusive upon the Supreme Court provided they are supported by substantial evidence citing "Unno Commercial Enterprises, Inc. vs. General Milling Corp., 120 SCRA 804 91983; Kabushiki Isetan vs. Intermediate Appellate Court, 203 SCRA 583 (1991)."

It is also a basic rule of evidence that each party must prove his affirmative allegations. If he claims a right granted by law, he must prove his claim by competent evidence, relying on the strength of his own evidence and not upon the weaknesses of that of his opponent. The test for determining on whom the burden of proof lies is found in the result of an inquiry as to which party would be successful if no evidence of such matters will be given." (Lolita Lopez vs. Bodega City, et. al., G.R. No. 155731, 03

September 2007, citing *Martinez vs. National Labor Relation Commission*, 339 Phil. 176, 183 (1997); *Rufina Patis Factory vs. Alusitain*, G.R. No. 146202, 14 July 2004, 434 SCRA 418, 428; *Imperial Victory Shipping Agency vs. National Labor Relation Commission*, G.R. No. 84672, 05 August 1991, 200 SCRA 178, 185)

In evaluating the facts of the record and weighing the evidence presented, this Bureau must first determine or make a finding on the similarity or dissimilarity of the two marks. The marks are shown below:

PASTEUR

PASTEUR PHARMACEUTICAL SALES

Petitioner's trademark

Respondent-Registrant's trademark

The word PASTEUR is dominant in Respondent-Registrant's mark PASTEUR PHARMACEUTICAL SALES incorporating thereof Petitioner's word mark PASTEUR. Also, the Respondent-Registrant's trademark registration covers goods or pharmaceutical products and devices that are similar or closely-related to the Petitioner's under Class 05. Thus, it is likely that the consumers will have the impression that these goods and devices originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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.⁶

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. 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

⁶ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

manufacturer against substitution and sale of an inferior and different article as his product.⁷

The Respondent-Registrant's filing of their trademark application on 26 February 2002 preceded the Petitioner's trademark application in the Philippines (22 December 2002). The Petitioner, however, raises the issues of trademark ownership, and fraud and bad faith on the part of Respondent-Registrant.

In this regard, this Bureau emphasizes that it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right of registration. The Philippines implemented the World Trade Organization Agreement "TRIPS Agreement" when the IP Code took into force and effect on 01 January 1998. Art 16(1) of the TRIPS Agreement states:

1. The owner of a registered trademark 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 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. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code also states:

Sec. 122. How Marks are Acquired.- The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law.

Corollarily, Sec. 138 of the IP Code provides:

⁷ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepta 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).

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. (Emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.⁸ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *Berris v. Norvy Abyadang*⁹, 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 the R.A. 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, 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. 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.

In this instance, the Petitioner proved that they are the originator and owner of the contested trademark. As succinctly pointed out by the Petitioner:

"Since its creation in 1887, Petitioner has become famous throughout the world as a symbol of science and French culture. For 120 years, Petitioner has been contributing

⁸ See Sec. 236 of the IP Code.

⁹ G.R. No. 183404, 13 Oct. 2010.

to the prevention and treatment of infectious diseases through a research of pharmaceutical products. Petitioner has granted exclusive rights to a licensee which is a manufacturer of pharmaceutical products in class 5 and other drugs. Petitioner is the owner of the mark PASTEUR, which by its licensee, has been actively promoting and selling in the market. Petitioner has been commercially using the trademark PASTEUR directly and indirectly prior to the (mis)appropriation and (mis)use of the confusingly similar trademark PASTEUR PHARMACEUTICAL SALES by Respondent-Registrant”¹⁰

In contrast, the Respondent-Registrant despite the opportunity given, did not file an Answer to defend their trademark registration and to explain how they arrived at using the trademark PASTEUR PHARMACEUTICAL SALES which is confusingly similar as the Petitioner’s. It is incredible for the Respondent-Registrant to have come up with exactly the same and/or confusingly similar trademark for use on similar and closely-related pharmaceutical products and devices, by pure coincidence.

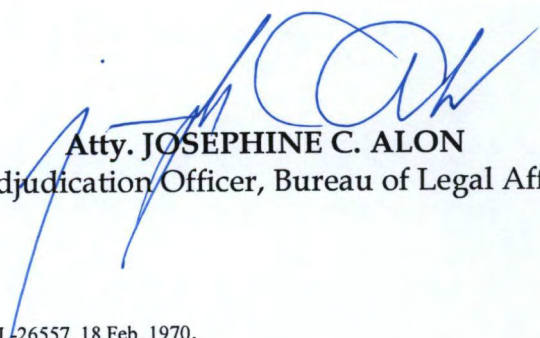
Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another’s mark if there was no intent to take advantage of the goodwill generated by the other mark.¹¹

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby GRANTED. Let the filewrapper of Trademark Registration No. 4-2002-001590 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 22 DEC 2016 .


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

¹⁰ Paragraph 7 of the Petition.

¹¹ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.