

**PEDIATRICA, INC.,**  
*Opposer,*

**-versus-**

**SANOFI,**  
*Respondent-Applicant.*

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} **IPC No. 14-2014-00095**  
} Opposition to:  
} Appln. Serial No. 4-2014-000170  
} Date Filed: 06 January 2014

} **TM: ERCEFLORA**

**NOTICE OF DECISION**

**OCHAVE & ESCALONA**

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**GREETINGS:**

Please be informed that Decision No. 2016 - 511 dated 23 December 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, 05 January 2017.

**MARILYN F. RETUAL**  
IPRS IV  
Bureau of Legal Affairs

PEDIATRICA, INC.,  
Opposer,

-versus-

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IPC NO. 14-2014-00095

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TM: "ERCEFLORA"

Decision No. 2016- 511

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### DECISION

PEDIATRICA, INC.<sup>1</sup> ("Opposer"), filed an opposition to Trademark Application Serial No. 4-2014-000170. The application, filed by SANOFI<sup>2</sup> ("Respondent-Applicant"), covers the mark "ERCEFLORA" for use on "*Pharmaceutical preparations for the treatment of gastro-intestinal diseases, dietetic supplements, vitamins, food supplements, mineral and biological active supplements*" under Class 05 of the International Classification of Goods.<sup>3</sup>

The Opposer alleges the mark ERCEFLORA applied for by Respondent-Applicant so resembles the its own trademark EQUIFLORA which was applied for registration with this Office on 26 November 2013 or prior to the filing of the application for the mark ERCEFLORA on 06 January 2014. According to Opposer, the mark ERCEFLORA will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed mark ERCEFLORA is applied for the same class and goods as that of Opposer's trademark EQUIFLORA which is under Class 05. As such the registration of the mark ERCEFLORA will violate Section 123.1 (d) of the IP Code. Opposer also claims that the use and registration of the mark ERCEFLORA will diminish the distinctiveness of its mark EQUIFLORA.

The Opposer's evidence consists of the following:

1. Print-out of the relevant page of E-gazette dated 27 January 2014.
2. Certified copy of the Trademark Application for the mark EQUIFLORA;

This Bureau issued on 06 March 2014 a Notice to Answer and served a copy thereof to the Respondent-Applicant's counsel on 12 March 2014. After several motions for extension, Respondent-Applicant filed the Answer on 04 July 2014. In its Answer, Respondent-Applicant alleges that the mark ERCEFLORA should be allowed registration based on the decision of the Honorable Director

<sup>1</sup> A domestic corporation with address at 3/F Bonaventure Plaza, Ortigas Avenue, Greenhills, San Juan City.

<sup>2</sup> A corporation organized and existing under the laws France with address at 54 Rue La Boetie, 75008 Paris, France.

<sup>3</sup> 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.

General in IPC Case No. 14-2008-00083. According to Respondent-Applicant, the "first-to-file" rule could not have been intended to justify the approval of an application simply because the applicant was the first to file, regardless of whether the person or entity has superior right over the mark being applied for. Respondent-Applicant claims that despite the earlier filing by Opposer of its mark EQUIFLORA, it was first to adopt and use the mark here in the Philippines. Respondent-Applicant also claims that it was first to register the mark ERCEFLORA although it was later on cancelled because it inadvertently failed to file the Declaration of Actual Use .

Respondent-Applicant's evidence consists of the following:

1. Legalized Special Power of Attorney;
2. Copy of Certificate of Registration No. 4-2005-008082 issued on 25 June 2007;
3. Copies of advertisement of Respondent's ERCEFLORA product;
4. Declaration of Actual Use filed on 27 June 2008 for the mark ERCEFLORA under Trademark Application Serial No. 4-2005-008082; and
5. Affidavit of Reynaldo Pineda.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") Services for mediation on 07 August 2014. However, the parties failed to settle their dispute. On 27 October 2016, the preliminary conference was terminated and the parties were directed to submit position papers. On 11 November 2016, the parties filed their respective Position Papers.

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

Sec. 123.1 (d) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

SECTION 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;

The marks of the parties are reproduced below:

**EQUIFLORA**

Opposer's Mark

**ERCEFLORA**

Respondent-Applicant's Mark

It is very clear that both Opposer's and Respondent's marks contain the identical suffix "FLORA" which means "the bacteria and other microorganisms that normally inhabit a bodily organ or plant".<sup>4</sup> The suffix "flora" therefore cannot be exclusively appropriated by anyone. Thus, in determining confusing similarity of the contending marks, this Bureau should look into the words or letters attached or affixed to the suffix "flora". In Opposer's mark, the suffix "flora" is added to the letters "E-Q-U-I" while in Respondent's, the suffix "flora" is added to the letters "E-R-C-E". Respondent-Applicant's mark differ in spelling with Opposer's but when pronounced, Respondent-Applicant's mark sounds similar to Opposer's. 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.

In *Marvex Commercial Co., Inc. v Petra Hawpia & Co., et al.*<sup>5</sup>, the Supreme Court took into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity, the Court held:

The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, *Unfair Competition and Trade Marks*, 1947, Vol. 1, will reinforce our view that "SALONPAS" and "LIONPAS" are confusingly similar in sound: "Gold Dust" and "Gold Drop"; "Jantzen" and "Jass-Sea"; "Silver Flash" and "Supper Flash"; "Cascarete" and "Celborite"; "Celluloid" and "Cellonite"; "Chartreuse" and "Charseurs"; "Cutex" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and "Femetex"; "Zuso" and "Hoo Hoo." Leon Amdur, in his book "Trade-Mark Law and Practice," pp. 419-421, cites [sic], as coming within the purview of the idem sonans rule, "Yusea" and "U-C-A," "Steinway Pianos" and "Steinberg Pianos," and "Seven-Up" and "Lemon-Up." In *Co Tiong vs. Director of Patents*, this Court unequivocally said that "Celdura" and "Condura" are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 that the name "Lusolin" is an infringement of the trademark "Sapolin," as the sound of the two names is almost the same.

What is more, Opposer's and Respondent-Applicant's marks are also used on similar or closely related goods. As such, there is likelihood that the public will be confused or mistaken into believing that Respondent-Applicant's mark is just a variation of Opposer's mark or that their goods come from the same source or manufacturer.

However, Respondent-Applicant claims that it has prior right over Opposer despite the earlier application filed by Opposer for its mark EQUIFLORA. Thus, it is necessary to determine who between Opposer and Respondent-Applicant has prior right.

Records will show that at the time the Respondent-Applicant filed its trademark application on 06 January 2014, Opposer already has a pending trademark application for its mark EQUIFLORA filed on 26 November 2013. Opposer therefore is the earlier filer or has the priority date. However, records will also show that Opposer was previously granted registration of its mark ERCEFLORA way back in 25 June 2007 but it was later on removed from the registry for failure to file the Affidavit of Use for the Fifth Anniversary.

<sup>4</sup> *Flora*. (n.d.) Collins English Dictionary – Complete and Unabridged, 12th Edition 2014. (1991, 1994, 1998, 2000, 2003, 2006, 2007, 2009, 2011, 2014). Retrieved December 22 2016 from <http://www.thefreedictionary.com/flora>

<sup>5</sup> G.R. No. L-19297. December 22, 1966 cited in *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993. August 18, 2004.

In *E.Y. Industrial Sales, Inc. et Al. v. Shendar Electricity and Machinery Co. Ltd.*<sup>6</sup>, the Supreme Court held:

Sec. 134 of the IP Code provides that any person who believes that he would be damaged by the registration of a mark xxx may file an opposition to the application. The term any person encompasses the true owner of a mark, the prior continuous user.

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd v. Developers Group of Companies, Inc.*:

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.

xxx

Ownership of a mark or trade name may be acquired not necessarily by registration but by adoption and use in trade or commerce. As between actual use of a mark without registration, and registration of the mark without actual use thereof, the former prevails over the latter. For a rule widely accepted and firmly entrenched, because it has come down through the years, is that actual use in commerce or business is a pre-requisite to the acquisition of the right of ownership.

xxx

By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same. Registration merely creates a prima facie presumption of the validity of the registration, of the registrant's ownership of the trademark and of the exclusive right to the use thereof. Such presumption, just like the presumptive regularity in the performance of official functions, is rebuttable and must give way to evidence to the contrary.

Registration of a mark is based on ownership. While Republic Act No. 8293 espouses the first-to-file-rule as stated under Sec. 123.1 (d), which means that, the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing of an application for registration of a mark, proof of prior and continuous use is necessary to establish ownership of mark.

In this case, although Respondent-Applicant's registration was cancelled for failure to file the Affidavit of Use for the Fifth Anniversary, Respondent-Applicant continued to use the mark and did not abandon its rights over the mark ERCEFLORA. 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

<sup>6</sup> G.R. No. 184850. October 20, 2010

thereof. It requires the concurrence of the intention to abandon it and some overt acts from which it may be inferred not to claim it anymore.<sup>7</sup> 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.<sup>8</sup> 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.

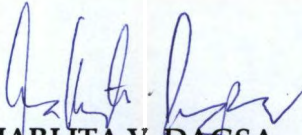
There was no overt act from which it can be inferred that Respondent-Applicant abandoned his right over the mark ERCEFLORA. In fact, the re-application by Respondent-Applicant for registration of its mark ERCEFLORA only bolsters the fact that it did not intend to relinquish its rights over the mark. Thus, taking into consideration the continued use by Respondent-Applicant of its mark since 2005 when it first applied for registration in contrast to the date of application of Opposer for the mark EQUIFLORA on 26 November 2013, the Respondent-Applicant has prior and better right than Opposer.

Accordingly, since Respondent-Applicant has a prior right, this Bureau finds that the Respondent-Applicant's trademark application should be allowed.

WHEREFORE, premises considered, the instant opposition is hereby *DISMISSED*. Let the filewrapper of Trademark Application Serial No. 4-2014-000170, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 23 DEC 2016

  
MARLITA V. DAGSA  
Adjudication Officer  
Bureau of Legal Affairs

<sup>7</sup> Agpalo, Ruben E., *Legal Words and Phrases*, 1997 Ed., page 1.

<sup>8</sup> *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)