

SANOFI,  
Opposer,

-versus-

ZENAUST PHARMA, INC.,  
Respondent- Applicant.

x-----x

}  
} IPC No. 14-2015-00541  
} Opposition to:  
} Appln. Serial No. 4-2015-501647  
} Date Filed: 24 March 2015  
} TM: "HEPAZEN"

**NOTICE OF DECISION**

**CESAR C. CRUZ & PARTNERS LAW OFFICES**

Counsel for Opposer  
30<sup>th</sup> Floor Ayala Life-FGU Center  
6811 Ayala Avenue, Makati City

**ZENAUST PHARMA, INC.,**

Respondent- Applicant  
1105 Chino Roces Avenue  
Brgy. Sta. Cruz, Makati City

**GREETINGS:**

Please be informed that Decision No. 2016 - 451 dated December 12, 2016 (copy enclosed) was promulgated in the above entitled case.

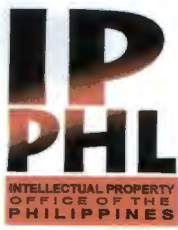
Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, December 13, 2016.

**MARILYN F. RETUTAL**  
IPRS IV  
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](http://www.ipophil.gov.ph)  
T: +632-2386300 • F: +632-5539480 • [mail@ipophil.gov.ph](mailto:mail@ipophil.gov.ph)



SANOFI }  
*Opposer,* }  
 -versus- }  
 ZENAUST PHARMA, INC., }  
*Respondent-Applicant.* }  
 -----x

IPC No. 14-2015-00541  
 Opposition to:  
 Application No. 4-2015-501647  
 Date Filed: 24 March 2015  
 Trademark: "HEPAZEN"  
 Decision No. 2016- 451

**DECISION**

SANOFI<sup>1</sup> ("Opposer") filed an opposition to Trademark Application Serial No. 4-2015-501647. The application, filed by Zenaust Pharma, Inc.,<sup>2</sup> ("Respondent-Applicant"), covers the mark "HEPAZEN" for use as "*drugs for medical purposes*" under Class 05 of the International Classification of Goods and Services.<sup>3</sup>

The Opposer alleges:

"IV.  
 "GROUNDS IN SUPPORT OF THIS OPPOSITION

"10. The Respondent-Applicant's application for the registration of the mark HEPAZEN should not be accepted by this Honorable Office since to do so would be contrary to Section 123.1 (d) and Section 123.1 (f) of the Intellectual Property Code, which prohibits the registration of a mark that:

x x x

"11. The act of the Respondent-Applicant in adopting the mark HEPAZEN for his pharmaceutical products in International Class 5 is clearly an attempt to trade unfairly on the goodwill, reputation and consumer awareness of the Opposer's internationally well-known CAPEZEN mark that was previously registered before this Honorable Office. Such act of the Respondent-Applicant results in the diminution of the value of the Opposer's internationally well-known CAPEZEN mark.

"12. The Opposer's internationally well-known CAPEZEN mark is registered in International Class 5 for, 'Pharmaceutical preparations', identical to the class to which the Respondent-Applicant seeks registration for its HEPAZEN mark. Further, because the Opposer's mark is internationally well-known, the same is likely to be associated with Respondent-Applicant's HEPAZEN mark leading to consumer confusion.

<sup>1</sup>A foreign corporation organized and existing under the laws of France with principal address at 54, rue la Boetie, 75008 Paris, France.  
<sup>2</sup>A domestic corporation with business address at 1105 Chino Roces Ave., Brgy. Sta. Cruz, Makati City, Metro Manila, 1205, Philippines.  
<sup>3</sup>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.



"13. Goods are closely related when they belong to the same class, or have the same descriptive properties, or when they possess the same physical attributes or characteristics, with reference to their form, composition, texture, or quality.

"14. Opposer first filed its registration for the CAPEZEN mark in the Philippines on November 19, 2012. Today, there is one CAPEZEN trademark registered with the Philippine Intellectual Property Office.

"15. The Opposer's CAPEZEN trademark, being the more senior mark, clearly enjoys protection. Jurisprudence is well-settled that protection is accorded to trademarks that have prior, or a more senior registration. As held by the Supreme Court in the case of Berris Agricultural Co. Inc., vs. Norvy Abyadang,

x x x

"Clearly, ownership and protection of a trademark is granted from its registration and actual use. The Opposer is undoubtedly the more senior registrant, being first issued a Certificate of Registration in the Philippines in 2013. The Supreme Court has also held that registration of the mark also grants the registrant exclusive right to use the trademark, thereby precluding the Respondent-Applicant, the more junior applicant, from appropriating and using the same.

"16. Certificates of registration that the Opposer has obtained all over the world, included in the Affidavit attached thereto as Annex 'B', is evidence that the Opposer's mark CAPEZEN is internationally well-known and warrants protection.

"17. The Opposer's mark CAPEZEN and the Respondent-Applicant's mark HEPAZEN are identical and/or similar, in the following respects to wit:

- "17.1. Both are purely word marks, CAPEZEN and HEPAZEN;
- "17.2. Both marks are composed of only three (3) syllables, CA-PE-ZEN and HE-PA-ZEN, which when applied to identical/similar goods heighten the visual, aural, phonetic and conceptual similarity between the marks;
- "17.3. Both marks are composed of seven (7) letters;
- "17.4. Of the seven (7) letters used in both marks, six (6) of the letters used by the Respondent-Applicant in its mark HEPAZEN are the same with the letters used by the Opposer in its mark CAPEZEN. The only difference between the marks is the first letter, i.e., 'H'-EPAZEN and 'C'-APEZEN, and the interchanging of the position of the letters 'E' and 'A', i.e., C-'A'-P-'E'-ZEN and H-'E'-P-'A'-ZEN while the rest of the mark is identical- and as such are almost identical;
- "17.5. The Respondent-Applicant's mark and the Opposer's mark are undoubtedly phonetically similar.
- "17.6. Both marks are applied for, used or intended to be used in the similar class of goods namely in International Class 5.

"18. The Respondent-Applicant's mark HEPAZEN very closely resembles and is very similar to the Opposer's internationally well-known CAPEZEN mark that was previously registered in the Philippines and elsewhere in the world. The resemblance of the Opposer's and the Respondent-Applicant's respective marks is more evident upon a juxtaposition of the said marks.

"The Opposer's CAPEZEN mark:

x x x

"A mere perusal of the Respondent-Applicant's mark will illustrate a poor attempt at reproducing the Opposer's well-known CAPEZEN trademark, clearly showing an intent to imitate the mark that is so closely associated with the Opposer's products.

"19. Goods bearing the Opposer's mark CAPEZEN and the Respondent-Applicant's mark HEPAZEN are commercially available to the public through the same channels of trade such that an undiscriminating buyer might confuse and interchange the products bearing the Respondent-Applicant's mark HEPAZEN for goods bearing the Opposer's internationally well-known mark CAPEZEN. It is worthy to mention that the relevant consumers affected herein will be the buyers of pharmaceutical products. Naturally, consumers would merely rely on recollecting the dominant and distinct wording of the marks. There is a great similarity and not much difference between the Opposer's mark CAPEZEN and the Respondent-Applicant's mark HEPAZEN. Thus, confusion will likely arise and would necessarily cause the interchanging of one product with the other.

"20. Considering the fact that the goods involved are related and flow through the same channels of trade, the possibility of confusion is more likely to occur in light of the fact that ordinary consumers, who are prone to self-diagnose illnesses and purchase prescription drugs even without a doctor's prescription, may mistakenly believe that the goods of the Respondent-Applicant is equivalent to, or affiliated with, the Opposer's goods.

"21. The Respondent-Applicant's HEPAZEN mark so closely resembles the Opposer's internationally well-known CAPEZEN mark that the Filipino public will undoubtedly confuse one with the other or worse, believe that goods bearing the Respondent-Applicant's mark HEPAZEN originate from the Opposer, or, at least, originate from economically linked undertakings.

"22. In *American Wire & Cable Co. v. Director of Patents*, 31 SCRA 544, 547-548 (1970), the Supreme Court through Justice J.B.L. Reyes ruled:

x x x

"23. In addition, under the rule of *idem sonans*, it is clear that there is a confusing aural similarity between the marks. The Supreme Court has held that the mark 'Gold Top' is 'aurally' similar to 'Gold Toe'. Furthermore, in *McDonald's vs. L.C. Big Mak*, 437 SCRA 10, 34 (2004) citing *Marvex Commercial Co., Inc. vs. Petra Hawpia & Co., et al.*, Phil 295, 18 SCRA 1178 (1966) the Supreme Court held:

x x x

"Considering that both marks contain the suffix 'ZEN' in its last syllables coupled with the fact that the only difference between the marks is the first letter and the interchanging of the position of the letters 'A' and 'E', it cannot be denied that the two marks are aurally similar and would indubitably cause confusion amongst the Filipino consumers.

"24. The Honorable Office had occasion to deny the registration of a trademark under the rule of *Idem Sonans*. In *Inter Partes Case No. 14-2009-00086* concerning the registration of the trademark 'RENNIE', this Honorable Office ruled that:



x x x

"The Honorable Office relied on the rule of idem sonans in denying the registration of the trademark RENNIE. If the Honorable Bureau denied registration to a mark to be used on a pharmaceutical product that treated a different illness from that for which the products of the Opposer are used on, all the more reason for this Honorable Office to likewise deny registration of a junior mark that will be used on a pharmaceutical product that will treat identical illnesses as that for which products bearing the senior mark will be used on, as in the case of the Opposer's CAPEZEN mark and the Respondent-Applicant's HEPAZEN mark.

"25. This Honorable Office has also applied the idem sonans rule in the more recent case of Merck KGaA vs. Seville Pharmaceuticals, Inc., where it was ruled that:

x x x

"26. The Opposer's internationally well-known mark CAPEZEN is used as treatment for cardiovascular diseases. The goods bearing the Respondent-Applicant's mark HEPAZEN is also used for the prevention of cardiovascular diseases designated under International Class 5. The presence of two identical and/or similar pharmaceutical products bearing highly similar trademark which are used to treat the same illnesses will indubitably lead to consumer protection.

"27. In consonance with public policy, it is the duty of this Honorable Court to protect the Filipino purchasing public by ensuring that there is no confusing similarity involving medicinal products. Unlike ordinary goods, confusion between medicinal goods may also arise as a result of a physician's illegible handwriting, thus the need for further protection. This has been recognized in jurisprudence, notably in Morgenstern Chemical Co. v. G.D. Searle & Co., 253 F. 2d 390 (1958).

"28. In Morgenstern, the United States of Appeals ruled that the 'obvious similarity in derivation, suggestiveness, spelling, and sound in careless pronunciation, between 'Micturin' and 'Mictine' as applied to pills to be taken by mouth for therapeutic purposes requires the conclusion, in the circumstances of this case, that the defendant has infringed the rights of the plaintiff in its common-law trade name Micturin and should be restrained from further doing so.

"29. Further, in Morgenstern, the Court also noted that it is common knowledge that mistakes or confusion occurring in filling handwritten prescriptions which are not legible. In arriving at his conclusion, the Court of Appeals in Morgenstern appropriately ruled that:

x x x

"30. The ruling in Morgenstern should squarely be applied in the case at bar. The fact that the medicinal products of the parties are for identical indications highlights the stubborn fact that there exist a possibility of one medicinal product being dispensed for the other medicinal product, which could easily be remedied by requiring clearly dissimilar trademarks in the field of medicinal products. The reputation and goodwill of the Opposer should not be trifled with the talismanic invocation that there is only a remote possibility of confusion. The fact clearly remains that the goods of the parties belong to the same class, are identical, and are available through the same channels of trade. As the Supreme Court in Ang v. Teodoro has aptly stated:

x x x

"31. The case of *Glenwood Laboratories, Inc. v. American Home Prod. Corp.*, 455 F. 2d 1384 (C.C.P.A. 1972), aptly illustrates the danger of confusion as regards medicinal products bearing similar marks, ruling that,

x x x

"It is clear from the ruling in *Glenwood Laboratories* that medicinal products require greater protection because confusion or mistake in filling up a prescription would produce harmful effects. Regardless of the high degree of educational attainment and discernment attained by the physicians prescribing these drugs, it cannot be denied that the purchasing public should be protected from the possible harm that may arise from a confusion of the marks.

"32. Further, this Honorable Office has also aptly stated in *Inter Partes Case No. 14-209-000172* concerning the opposition to the registration of the trademark 'Solvit' that:

x x x

"The registration of the Respondent-Applicant's mark HEPAZEN will lead the purchasing public to believe that the goods of the Respondent-Applicant emanate from the Opposer. If the products of the Respondent-Applicant are inferior in quality, there will be grave and irreparable injury to the Opposer's valuable goodwill in its internationally well-known CAPEZEN mark. Furthermore, the use and registration of the mark HEPAZEN by the Respondent-Applicant will dilute and diminish the distinctive character of the Opposer's internationally well-known CAPEZEN mark.

"33. Of all the possible combinations of the letters of the alphabet and words, the Respondent-Applicant chose to use the mark HEPAZEN to identify its goods in International Class 5, which are in direct competition with the Opposer's goods, also in International Class 5. It cannot be gainsaid that confusion will arise inasmuch as the goods are identical, and they cater to the same kind of purchasers. As pharmaceutical products for the treatment of identical illnesses, both will be found and displayed in hospitals, clinics, and pharmacies, probably side by side, making both products flow through the same channels of trade, thus making the Opposer and the Respondent-Applicant competitors in the same product industry. No conclusion can be drawn surrounding the case other than the fact that the Respondent-Applicant is knowingly and deliberately attempting to trade on the valuable goodwill and to ride on the notoriety of the Opposer's internationally well-known CAPEZEN mark that has been used throughout the world for several decades including in the Philippines.

"34. Clearly, the registration and use of the Respondent-Applicant mark's HEPAZEN is a usurpation of the internationally well-known mark CAPEZEN, a mark legally owned by the Opposer, as well as the goodwill associated therewith and/or passing off its own products, as those manufactured by the Opposer.

"35. By the Respondent-Applicant's attempt to register and use the mark HEPAZEN for his goods in International Class 5, it is plain that the Respondent-Applicant seeks to take advantage of the worldwide and nationwide reputation of the internationally well-known mark CAPEZEN that the Opposer has gained by ingenious and persistent marketing and the expenditure of considerable sums of money to promote the same, by confusing and misleading the trade and the Filipino public in passing off his



own products as those of the Opposer and/or suggesting that they are being sold or are approved by the Opposer.

"36. The Respondent-Applicant seeks to register the mark HEPAZEN which is confusingly similar to the Opposer's internationally well-known CAPEZEN mark, as to be likely, when applied to the goods of Respondent-Applicant, to cause confusion, mistake or deception to the Filipino public as to the source of goods, and will inevitably falsely suggest a trade connection between the Opposer and the Respondent-Applicant, is simply violative of the Intellectual Property Code of the Philippines.

"37. This Honorable Office has recently ruled in Inter-Partes Case No. 14-2011-00059, regarding the presence of confusion or deception between the marks FERLIN and FERIDIN that:

x x x

"In light of this Honorable Office's ruling in the above-cited case against the same Respondent-Applicant, the Opposer humbly asks this Honorable Bureau to likewise rule that the minimal and inconsequential changes in the spelling of the Respondent-Applicant's HEPAZEN will most likely occur in confusion, mistake, or deception.

"38. The Supreme Court discussed these two types of trademark confusion in *Mighty Corporation, et. al. vs. E. & J. Gallo Winery, et. al.*, G.R. No. 154342, July 14, 2004, 434 SCRA 473, 504, thus:

x x x

"Allowing Respondent-Applicant to use the mark 'HEPAZEN' on his goods in International Class 5, would not only allow him to take a free ride and reap the advantages of the goodwill and reputation of the Opposer's mark, but it would also confuse the consuming public who would be led to believe that the products sold by the Respondent-Applicant are produced and manufactured by the Opposer, or at the very least, a variant of the Opposer's products. Clearly, the risk of damage is not limited to a possible confusion of goods but also includes confusion of reputation if the general purchasing public could reasonably be misled into believing that the goods of the parties originated from one and the same source.

"39. In the case of *Societe Des Produits Nestle, S.A. vs. Dy, Jr.*, the Supreme Court held that:

x x x

"40. Moreover, in the case of *McDonald's Corporation vs. L.C. Big Mak Burger, Inc., et.al.*, the Supreme Court had occasion to rule that, 'while proof of actual confusion is the best evidence of infringement, its absence is inconsequential'.

"41. Thus, the denial of the registration of Trademark Application No. 4-2015-501647 for the mark HEPAZEN by this Honorable Office is authorized and warranted under the provisions of the Intellectual Property Code of the Philippines.

x x x

The Opposer's evidence consists of the Special Power of Attorney executed by the Opposer in favor of Cesar C. Cruz and Partners Law Offices; and the Affidavit executed by Sylvie Guillas .<sup>4</sup>

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 29 February 2016. Said Respondent-Applicant, however, did not file an Answer.

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

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;"

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or service which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use;

Records show at the time the Respondent-Applicant filed its trademark application on 24 March 2015, the Opposer has an existing trademark registration for the mark CAPEZEN under Trademark Reg. No. 4-2012-14108 issued on 14 April 2013. The registration covers "pharmaceutical preparations" under Class 05. On the other hand, Respondent-Applicant's mark covers "drugs for medical purposes" under Class 05.

Hence, the question, does HEPAZEN resemble CAPEZEN such that confusion or deception is likely to occur? The marks are shown below:



<sup>4</sup>Marked as Annexes "A" to "B", inclusive.



# CAPEZEN

# HEPAZEN

Opposer's trademark

Respondent-Applicant's mark

This Bureau noticed that the products covered by the marks are similar. Designated as HEPAZEN, Respondent-Applicant's products are drugs for medical purposes. Opposer's products covered under CAPEZEN are pharmaceutical preparations. Confusion is likely in this instance because of the close resemblance between the marks and that the goods are the same and are for human consumption. Both marks have the same syllabication and same suffix ZEN. Except for the first letter and the interchanging of the position of the letters "E" and "A" (2<sup>nd</sup> letter and 4<sup>th</sup> letter), all the other letters in both marks are the same. The first syllable "CA" of Opposer's may not be confusingly similar to the first syllable "HE" of Respondent-Applicant's mark, however, 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"<sup>5</sup>, "SAPOLIN" and LUSOLIN"<sup>6</sup>, "CELDURA" and "CORDURA"<sup>7</sup>, "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.<sup>8</sup>

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

<sup>6</sup> *Sapolin Co. v. Balmaceda and Germann & Co,m* 67 Phil, 705.

<sup>7</sup> *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.)

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

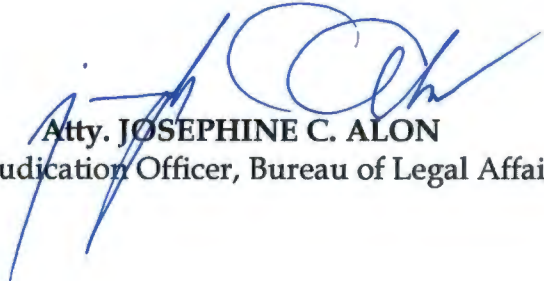
It is emphasized that the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public 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.<sup>9</sup> 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. 4-2015-501647 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, 12 DEC 2016.

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

---

<sup>9</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa 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).