

BIOTTA AG,
Opposer,

-versus-

ERP WELLNESS ENTERPRISES,
Respondent- Applicant.

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IPC No. 14-2016-00034
Opposition to:
Appln. Serial No. 4-2014-009942
Date Filed: 08 August 2014
TM: "BIOTTA"

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NOTICE OF DECISION

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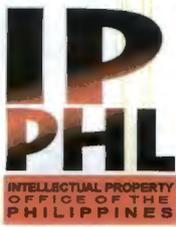
GREETINGS:

Please be informed that Decision No. 2017 - 199 dated June 5, 2017 (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, June 06, 2017.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



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IPC No. 14-2016-00034
 Opposition to:
 Application No. 4-2014-009942
 Date Filed: 08 August 2014
 Trademark: "BIOTTA"
 Decision No. 2017- 199

DECISION

BIOTTA AG¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-009942. The application, filed by ERP Wellness Enterprises² ("Respondent-Applicant"), covers the mark "BIOTTA" for use on *"pharmaceutical, veterinary and sanitary preparations; 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"* under Class 05, *"agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals; malt"* under Class 31, *"beers; mineral and aerated water and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages"* under Class 32 and *"services for providing food and drink; temporary accommodation"* under Class 43 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x
 "IV.

"GROUNDS IN SUPPORT OF THIS OPPOSITION

"10. The Respondent-Applicant's application for the registration of the mark BIOTTA should not be allowed 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 BIOTTA for its products under International Class 5, 31, 32 and 43 is clearly an attempt to trade unfairly on the goodwill, reputation and consumer awareness of the Opposer's

¹With address at Pflanzbergstrasse 8 CH-8274, Switzerland.
²With address at 175 Kapiligan St., Dona Imelda, Quezon 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.



internationally well-known BIOTTA mark that has been registered in eighteen other jurisdictions. Such act of the Respondent-Applicant results in the diminution of the value of the Opposer's well-known BIOTTA mark.

"12. The Opposer's well-known BIOTTA mark is registered under several International Classes of goods, particularly, International Class 29, 31 and 32, which is identical to the class to which the Respondent-Applicant seeks registration for its BIOTTA mark. Further, because the Opposer's mark is internationally well-known, the same is likely to be associated with the Respondent-Applicant's BIOTTA mark leading to consumer confusion.

"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. The Opposer's mark has been used worldwide for more than fifty-five (55) years. As previously mentioned, the products were first put on the market way back in 1931 in Switzerland, and the products of the Opposer were sold using the trademark BIOTTA in 1961. Such mark has been openly and continuously used since then. Moreover, the certificates of registration that the Opposer has obtained all over the world, included in the Affidavit attached hereto as Annex 'B', is evidence that the Opposer's mark BIOTTA is internationally well-known and warrants protection by the Opposer.

"15. As one of the means of promoting the Opposer's products, BIOTTA has been distributed to international organic supermarkets and stores all over the world. It has likewise been sold in wellness and health stores, catering to those avid consumers of drinks which detoxify and cleanse the body. The attempt of the Respondent-Applicant to register the mark BIOTTA will definitely lead to confusion among the Filipino public as it falsely suggests business associations, due to the presence of the Opposer's products in precisely the sphere in which the Respondent-Applicant seeks to operate.

"16. The Opposer's products have been featured on several internet websites like <http://www.bloomberg.com>, <http://www.organic-bio.com/>, <http://www.avogel.ca>, and <https://www.biofach.de>. Copies of these internet write-ups are attached as Annex 'C'.

"17. The Respondent-Applicant's mark is visually, aurally, phonetically and conceptually identical to the Opposer's internationally well-known BIOTTA mark that was previously registered in other jurisdictions in the world. The resemblance of the Opposer's and the Respondent-Applicant's respective marks is most evident upon a juxtaposition of the said marks.

"A simple inspection of the Respondent-Applicant's mark will illustrate a poor attempt at reproducing the Opposer's well-known BIOTTA trademark. The act of Respondent-Applicant clearly shows an intent to imitate the marks that are so closely associated with products of well-known, highly recognized and well-regarded organic vegetable and fruit juices. This is highlighted by the fact the Respondent-Applicant is using font and color that is identical to the font of the Opposer's BIOTTA marks. It cannot be gainsaid that an ordinary consumer will see the Respondent-Applicant's mark as a 'new variant' of the Opposer's mark BIOTTA thus further prejudicing the Opposer.

"18. The Opposer's BIOTTA mark and the Respondent-Applicant's mark BIOTTA are identical in the following respects, to wit:

x x x

"19. The organic vegetable and fruit drinks that bears the Opposer's BIOTTA's marks and the Respondent-Applicant's BIOTTA mark are known by the public and are commercially available through the same channels of trade such that an indiscriminating purchaser might believe that the Respondent-Applicant's products of fruit drinks and fruit juices, syrups, and other preparations for making beverages associated therewith are affiliated with the widely known and regarded products of the Opposer bearing its internationally well-known BIOTTA. Moreover, Filipino purchasers who are avid consumers of organic juices might confuse and interchange the products bearing the Respondent-Applicant's mark BIOTTA for goods bearing the Opposer's internationally well-known mark BIOTTA mark. It is worthwhile to mention that the relevant consumers affected herein are those who regularly purchase and drink healthy and organic fruit and vegetable beverages and products. Naturally, consumers would merely rely on recollecting the dominant and distinct wording of the marks. There is a great similarity and no difference between the Opposer's mark BIOTTA and the Respondent-Applicant's BIOTTA. 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 may be prone to believe that the goods of the Respondent-Applicant are equivalent to, or are affiliated with, the Opposer's goods. As the great Judge Learned Hand himself stated:

"21. Courts in the United States have been consistent in denying or cancelling a registration of a trademark for products that cover related goods or services. The law gives the trademark owner protection against use of its mark on any product or service which would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner. This time-honored principle was recently reiterated by this Honorable Office to wit:

x x x

"22. The Respondent-Applicant's attempt to register the mark BIOTTA in connection with fresh fruits and vegetables, fruit drinks and fruit juices, syrups and preparations for making beverages, among others, will take advantage of the worldwide and nationwide reputation of the Opposer, gained by their years of persistent marketing and advertising as a quality producer of organic, natural, and fresh fruit and vegetable beverages all over the world. This is also further reinforced by the enviable reputation built up by the Opposer throughout the years due to its uncompromising attitude towards quality and excellence.

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

"24. The Supreme Court, through Justice J.B.L. Reyes, further discusses trademark confusion in *American Wire & Cable Co. v. Director of Patents*, 31 SCRA 544, 547-548 (1970):

x x x

"25. Further, this Honorable Office has also aptly stated in *Inter Partes Case No. 14-2009-000172* concerning the opposition of the trademark 'Solvit' that:

x x x

The ruling of this Honorable Office in the above-mentioned case should be squarely applied in the case at bar. Viewers may mistake the vegetable and fruit juices and drinks as products associated with, and/or sponsored by, the Respondent-Applicant as affiliated with, or is a 'local' version of the internationally well-known BIOTTA products. The fact, coupled with the possibility that products of the Respondent-Applicant are inferior in quality, will cause grave and irreparable injury to the Opposer's valuable goodwill and its internationally well-known BIOTTA trademark. The BIOTTA trademark owned by the Opposer will undoubtedly suffer from an unfavorable connotation created by the association of the Respondent-Applicant's mark to the products bearing the Opposer's trademark BIOTTA. The Opposer firmly believes that the use and registration of the Respondent-Applicant's BIOTTA mark will dilute the distinctive character of the Opposer's internationally well-known BIOTTA mark. Clearly, the risk of damage is not limited to a possible confusion of goods but also includes the confusion of the parties' reputation if the general public could be reasonably misled into believing that the goods of the parties originate from one and the same source.

"26. By the Respondent-Applicant's attempt to register and use the mark BIOTTA for its goods in International Class 5, 31, 32 and 43, it is plain that the Respondent-Applicant seeks to take advantage of the worldwide and nationwide reputation of the internationally well-known BIOTTA mark that the Opposer has gained, by confusing and misleading the trade and the Filipino public in passing off its own products as those of the Opposer and/or suggesting that they are being sold or are approved by the Opposer.

"27. The Respondent-Applicant registration of the mark BIOTTA which is confusingly similar to the Opposer's internationally well-known BIOTTA mark, as to be likely, when applied to the goods of Respondent-Applicant, to cause confusion, mistake or deception on 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.

"28. The Supreme Court discussed 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

"29. Allowing Respondent-Applicant to use the mark BIOTTA on its goods under International Class 31 and 32 would not only allow it to take a free ride and reap the advantage 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, is a variant of the Opposer's goods. This is the same confusion that this Honorable Office seeks to protect the public against.

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

x x x

"31. Moreover, in the case of McDonald's Corporatino 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'.

"32. 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 McDonalds'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

"33. Of all the possible combinations of the letters of the alphabet and words, the Respondent-Applicant chose to use the mark BIOTTA to identify its goods in International Class 31 and 32, which are in direct competition with the Opposer's goods, also in International Class 31 and 32. The Respondent-Applicant has also chosen to use the words 'BIOTTA' to identify its organic fruit and vegetable drinks. Thus, it would be extremely difficult for ordinary consumers to notice the extremely negligible difference between the Opposer's BIOTTA mark and the Respondent-Applicant's BIOTTA mark.

"34. As succinctly held by this Honorable Office in Toyo Tire & Rubber Co., Ltd., vs. Southwind Automotive Parts, Inc.,:

x x x

"35. It cannot be gainsaid that confusion will arise inasmuch as the marks are identical, and they cater to the same kind of consumers. 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 BIOTTA mark that have been used throughout the world for several decades including in the Philippines.

"36. Clearly, the registration and use of the Respondent-Applicant mark's BIOTTA is a usurpation of the internationally well-know BIOTTA mark, 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.

"37. Thus, the denial of the registration of Trademark Application No. 4-2014-009942 for the mark BIOTTA by this Honorable Office is authorized and warranted under the provisions of the Intellectual Property Code of the Philippines.

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 Clemens Rüttimann, manager of BIOTTA AG.⁴

⁴Marked as Annexes "A" and "B", inclusive.

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 05 April 2016. Said Respondent-Applicant, however, did not file an Answer.

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

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;

A comparison of the competing marks reproduced below:

Biotta

Biotta

Opposer's trademark

Respondent-Applicant's mark

shows that the marks are obviously identical, in fact perfectly identical and used on similar and/or closely related goods and services, particularly, food and beverages/drinks. Thus, it is likely that the consumers will have the impression that these goods 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.⁵

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods/services, 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 manufacturer against substitution and sale of an inferior and different article as his product.⁶

The Respondent-Applicant's filing of its trademark application in the Philippines may be earlier than the Opposer's, but the latter raises the issues of trademark ownership, fraud and bad faith on the part of the Respondent-Applicant.

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.

⁵ Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

⁶ *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).

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.⁷ 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. Noroy Abyadang*⁸, 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 Opposer proved that it is the originator and owner of the contested mark. As stated, "The Opposer's mark has been used worldwide for more than fifty-five (55) years. x x x, the products were first put on the market way back in 1931 in Switzerland, and the products of the Opposer were sold using the trademark BIOTTA in 1961. Such mark has been openly and continuously used since then."⁹ In contrast, the Respondent-Applicant despite the opportunity given, did not file an Answer to defend its trademark registration and to explain how it arrived at using the mark BIOTTA which is exactly the same as the Opposer's. In fact, BIOTTA is not only a trademark but also part of the Opposer's trade name or business name. Trade names or

⁷ See Sec. 236 of the IP Code.

⁸ G.R. No. 183404, 13 Oct. 2010.

⁹ Paragraph 14 of the Opposition.

business names are protected under Section 165 of the IP Code. It is incredible for the Respondent-Registrant to have come up with exactly the same mark for use on similar goods by pure coincidence.

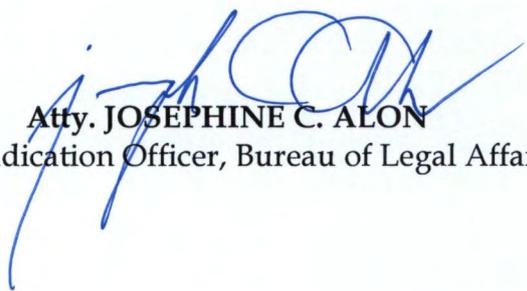
Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.¹⁰

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 Opposition to Trademark Application No. 4-2014-009942 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, 05 JUN 2017.


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

¹⁰ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.