

RITEMED PHILIPPINES, INC.,
Opposer,

-versus-

NOVARTIS AG,
Respondent-Applicant.

X-----X

} **IPC No. 14-2013-00118**
} Opposition to:
} Appln. Serial No. 4-2012-013267
} Date Filed: 30 October 2012

} **TM: RABEMED**

NOTICE OF DECISION

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

E.B. ASTUDILLO & ASSOCIATES
Counsel for Respondent- Applicant
10th Floor, Citibank Centre
8741 Paseo de Roxas, Makati City

GREETINGS:

Please be informed that Decision No. 2017 - 306 dated 08 August 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOP HL 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, 08 August 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

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

"10. Opposer is the registered owner of the trademark 'RITEMED'.

"10.1. Opposer is engaged in the marketing and sale of a wide range of pharmaceutical products.

"10.1. The trademark application for the trademark 'RITEMED' was filed with the Intellectual Property Office on 27 February 2001 by Opposer and was approved for registration on 09 October 2006 to be valid for a period of ten (10) years, or until 09 October 2016. Thus, the registration of the trademark 'RITEMED' subsists and remains valid to date. A certified true copy of the Certificate of Registration No. 4-2001-001380 for the trademark 'RITEMED' is hereto attached x x x

"11. The trademark 'RITEMED' has been extensively used in commerce in the Philippines.

"11.1. Opposer has dutifully filed Declarations of Actual Use pursuant to the requirement of the IP Code. Certified true copies of the Declarations of Actual Use filed by Opposer are hereto attached x x x

"11.2. A sample product label bearing the trademark 'RITEMED' actually used in commerce is hereto attached x x x

"11.3. No less than the Intercontinental Marketing Services ('IMS') itself, the world's leading provider of business intelligence and strategic consulting services for the pharmaceutical and healthcare industries with operations in more than one hundred (100) countries, acknowledged and listed 'RITEMED' as one of the top 20 pharmaceutical corporations in the Philippines in terms of market share and sales performance. The Certification issued by IMS is is hereto attached x x x

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

"11.5. As provided in Section 138 of the IP Code, 'A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.'

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

"12.1. There are no set rules that can be deduced in particularly ascertaining whether one trademark is confusingly similar to, or is a colorable

imitation of, another. Nonetheless, jurisprudence provides enough guidelines and tests to determine the same.

"12.1.1. In *Societe Des Produits Nestle, S.A. vs. Court of Appeals* (356 SCRA 207, 216 [2001]), the Supreme Court, citing *Etepha vs. Director of Patents* (16 scra 495, 497-498 [1966]), held '[i]n determining if colorable imitation exists, jurisprudence has developed two kinds of tests - the Dominancy Test and the Holistic Test. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception and thus constitute infringement. On the other side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity.'

"12.1.2. It is worthy to note at this point that in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* [Supra, p. 221,] the Supreme Court held "[T]he totality or holistic test only relies on visual comparison between two trademarks whereas the dominancy test relies not only on the visual but also on the aural and connotative comparisons and overall impressions between the two trademarks."

"12.1.3. Relative thereto, the Supreme Court in *McDonalds' Corporation vs. L.C. Big Mak Burger, Inc.* (437 SCRA 10, 32-33 [2004]) held:

x x x

"12.1.4. This was affirmed in *McDonald's Corporation vs. Macjoy Fastfood Corporation* (514 SCRA 95, 107-108 [2007]), which held that, '[t]he Court has consistently used and applied the dominancy test in determining confusing similarity or likelihood of confusion between competing trademarks.'

"12.1.5. In fact the dominancy test is 'now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code, which defines infringement as the colorable imitation of a registered mark xxx or a dominant feature thereof.' x x x

"12.1.6. Thus, applying the dominancy test in the instant case, it can be readily concluded that 'RABEMED', which is the dominant word of Respondent-Applicant's mark, so resembles Opposer's trademark 'RITEMED', that it will likely cause confusion, mistake and deception on the part of the purchasing public.

"12.1.6.1. Respondent-Applicant's mark 'RABEMED' appears and sounds almost the same as Opposer's trademark 'RITEMED'.

"12.1.6.2. The first letter and the last four letters of Opposer's trademark 'R-I-T-E-M-E-D' are exactly the same with Respondent-Applicant's mark 'R-A-B-E-M-E-D'.



"12.1.6.3. Both marks are composed of seven letters.

"12.1.7. Clearly, the Respondent-Applicant's mark 'RABEMED' adopted the dominant features of the Opposer's trademark 'RITEMED'.

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

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

"12.2. Opposer's trademark 'RITEMED' and Respondent-Applicant's mark 'RABEMED' are practically identical marks in sound and appearance that they leave the same commercial impression upon the public. Thus, the two marks can easily be confused for one over the other.

"12.3. Yet, Respondent-Applicant still filed a trademark application for 'RABEMED' despite its knowledge of the existing trademark registration of 'RITEMED', which is confusingly similar thereto in both its sound and appearance, to the extreme damage and prejudice of Opposer.

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

"12.5. 'When, as in the present case, one applies for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and an established goodwill. x x x

"13. To allow the Respondent-Applicant to market its products bearing the mark 'RABEMED' undermines Opposer's right to its trademark 'RITEMED'. As the lawful owner of the trademark 'RITEMED', Opposer is entitled to prevent the Respondent-Applicant from using a confusingly similar mark in the course of trade where such would likely mislead the public.

"13.1. Being the lawful owner of 'RITEMED', Opposer has the exclusive right to use and/or appropriate the said marks and prevent all third parties not having its consent from using in the course of trade identical or similar marks, where such would result in a likelihood of confusion.

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

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

x x x

"14. By virtue of Opposer's prior and continued use of the trademark 'RITEMED', the same has established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent-Applicant's confusingly similar mark 'RABEMED' on its goods will enable the latter to obtain benefit from Opposer's reputation and goodwill, and will tend to deceive and/or confuse the public into believing that Respondent-Applicant is in any way connected with the Opposer.

"15. It is of no moment that the mark 'RABEMED' covers goods in International Class 5, while Opposer's trademark 'RITEMED' covers goods/services in Class 35, for them to be considered confusingly similar. The goods covered by Respondent-Applicant's mark 'RABEMED' (as pharmaceutical preparations for human use) and the goods/services covered by Opposer's trademark 'RITEMED' (as supplies, sells and distributes drugs, medicine and medical devices) are the same goods, or at the very least, closely related goods.

"15.1. As held in *Sterling Products International, Inc. vs. Farbenfabriken Bayer Aktiengesellschaft, et. al.* (27 SCRA 1214, 1227 [1968]) there are two types of confusion in trademark infringement. 'The first is the confusion of goods' in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other.' In which case, 'defendant's goods are then bought as the plaintiff's, and the poorer quality of the former reflects adversely on the plaintiff's reputation.' The other is the confusion of business. 'Here though the goods of the parties are different, the defendant's product is such as might reasonably assumed to originate with the plaintiff, and the public would be deceived either into that belief or in to belief that there is some connection between the plaintiff and defendant which, in fact, does not exist.'

"15.2. Significantly, it is already established that 'Modern authorities on trademark law view trademarks as symbols which perform three (3) distinct functions: first, they indicate origin or ownership of the articles to which they are attached; second, they guarantee that those articles come up to a certain standard of quality; third, they advertise the articles they symbolize.' x x x

"15.2. The doctrine of confusion of business or origin is based on cogent reasons of equity and fair dealing. It has to be realized that there can be unfair dealing by having one's business reputation confused with another. 'The owner of a trademark or trade name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods.' Xxx

"15.3. In the case at bar, aside from the confusion discussed above there is likewise a likelihood of confusion as to the business reputation or goodwill between the Opposer and Respondent-Applicant. Opposer has the inherent right to protect its goodwill and business reputation symbolized by its

trademark just like any other property right. By virtue of Opposer's prior and continued use of the trademark 'RITEMED', the same has established valuable goodwill to the consumers and the general public as well.

"16. The registration and use of Respondent-Applicant's confusingly similar mark 'RABEMED' will enable the latter to obtain benefit from Opposer's reputation and goodwill, and will tend to deceive and/or confuse the public into believing that Respondent-Applicant is in any way connected with the Opposer.

"16.1. In *Sta. Ana v. Maliwat*, (24 SCRA 1018, 1025 [1968]), the Supreme Court held that, 'Modern law recognizes that the protection to which the owner of the trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trademark or tradename is likely to lead to a confusion of source, as where prospective purchasers would be misled into thinking that the complaining party has extended his business into the field x x x

"16.2. This has earlier been highlighted in *Ang vs. Teodoro* (74 Phil 50, 55-56 [1942]) wherein it was held, 'The courts have come to realize that there can be unfair competition or unfair trading even if the goods are non-competing, and that such unfair trading can cause injury or damage to the first ever user of a given trade-mark, first, by prevention of the natural expansion of his business and, second, by having his business reputation confused with and put at the mercy of the second user.' x x x

"16.3. Applying the foregoing to the instant case, to allow Respondent-Applicant to use its mark 'RABEMED' on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the product of Respondent-Applicant originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'RITEMED' product of Opposer, when such connection does not exist.

"16.4. As held in *Dermaline, Inc. vs. Myra Pharmaceuticals, Inc.* (628 SCRA 356, 368-369 [2010]):

x x x

"17. Clearly, the scope of protection accorded to trademark owners includes not only confusion of goods but also confusion of business. As in this case, there is undoubtedly a likelihood of confusion of business by the marks of Respondent-Applicant and Opposer, which should not be allowed.

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

x x x

"18. Respondent-Applicant's use of the mark 'RABEMED' in relation to any of the goods covered by the opposed application will take unfair advantage of, dilute and diminish the distinctive character or reputation of the Opposer's trademark 'RITEMED'.

"19. Potential damage to Opposer will be caused as a result of its inability to control the quality of the goods put on the market by Respondent-Applicant under the

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

"20. In support of the foregoing, the instant Notice of Opposition is herein verified by Mr. Nicandro A. Salud, which will likewise serve as his affidavit. (Nasser vs. Court of Appeals, 191 SCRA 783, 792-793 [1990]).

The Opposer's evidence consists of a copy of the pertinent page of the IPO E-Gazette officially released on 18 February 2013; a copy of the Certificate of Registration No. 4-2001-001380 for the service mark "RITEMED AND DEVICE"; copies of Declarations of Actual Use filed by Opposer for the service mark "RITEMED AND DEVICE"; a sample product label bearing the trademark "RITEMED"; and, a copy of the Certification issued by IMS for the "top 20 Corporations and their Manufacturers in values, share and growth".⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 05 April 2013. Said Respondent-Applicant, however, did not file an Answer.

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

Records show that at the time the Respondent-Applicant filed its trademark application on 30 October 2012, the Opposer has an existing trademark registration for the mark RITEMED AND DEVICE under Trademark Reg. No. 4-2001-001380 issued on 09 October 2006. The registration covers "supplies, sells and distributes drugs, medicine and medical devices" under Class 35. On the other hand, Respondent-Applicant filed its trademark application for the mark RABEMED for use on "pharmaceutical preparations for human use" in Class 05.

In this regard, 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

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

- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;"

Sec. 138. *Certificates of Registration.* - A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.

Sec. 147. *Rights Conferred.* - 147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use, of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

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

***Rite*MED**

RABEMED

Opposer's trademark

Respondent-Applicant's mark

This Bureau finds that confusion or deception is unlikely to occur at this instance. The competing marks are used for or have something to do with the supply or distribution of drugs and/or medicines. It is obvious, therefore, that the parties' marks are derived from the word medicine. Succinctly, an opposition cannot be sustained solely for the reason that the contending marks both contain the suffix MED. Thus, to determine the issue of whether RABEMED should not be registered on the ground that it is confusingly similar to RITEMED, it is imperative to look into the components or other features of the marks that is/are paired or in combination with MED. In this instance, the use of the first two syllables RABE to the suffix MED has rendered Respondent-Applicant's mark a character that is distinct from the Opposer's mark RITEMED. RABEMED is visually and aurally different from RITEMED. Respondent-Applicant's mark though consisting of seven (7) letters as Opposer's has three (3) syllables while Opposer's mark has two (2) syllables. The two syllables "RABE" distinguishes it from the sound of Opposer's RITE.

Moreover, in the Trademark Registry, the contents of which the Bureau can take cognizance of via judicial notice, there are registered marks covering pharmaceutical preparations or drugs that have the suffix "MED", such as Bes+Med with Reg. No.

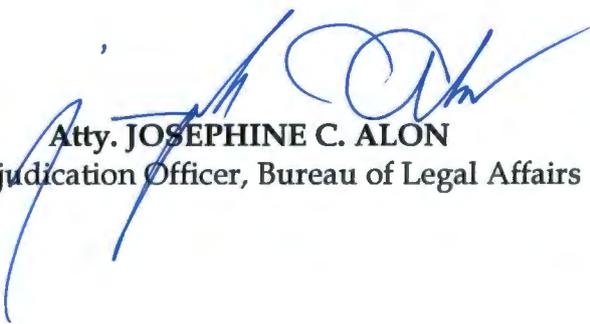
42014009896, Ceti-Med with Reg. No. 42009001422, Mupi-Med with Reg. No. 42014005328, Q-Med with Reg. No. 42011015355, Sara Med with Reg. No. 42008009404 and Thera-Med with Reg. No. 061336, which are owned by entities other than the Opposer.

The essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁵ This Bureau finds that the Respondent-Applicant's mark sufficiently serves this function.

WHEREFORE, premises considered, the instant Opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2012-013267 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 08 AUG 2017.


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

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