

NOVARTIS AG,
Opposer,

-versus-

GENPHARM, INC.,
Respondent-Applicant.

X-----X

}	IPC No. 14-2014-00093
}	Opposition to:
}	Appl. Ser. No. 4-2013-013581
}	Date Filed: 12 November 2013
}	
}	
}	TM: OROFER

NOTICE OF DECISION

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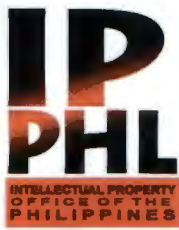
GREETINGS:

Please be informed that Decision No. 2017 - 332 dated 07 September 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, 07 September 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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x-----x	x	Decision No. 2017- <u>332</u>

DECISION

NOVARTIS AG¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2013-013581. The application, filed by GENPHARM, INC.² ("Respondent- Applicant"), covers the mark "OROFER for use of goods such as *"medicines/vitamins, namely anti-anemic"* under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges the following grounds for opposition:

"10. The trademark OROFER being applied for by respondent-applicant is confusingly similar to opposer's trademark OROFAR, covered by Certificate of Registration No. 4-2011-002642 as to likely, when applied to or used in connection with the goods of respondent-applicant, cause confusion, mistake and deception on the part of the purchasing public.

"11. The registration of the trademark OROFER in the name of respondent-applicant will violate Section 123.1, subparagraph (d) of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines (IP Code), to wit:

xxx

"12. The registration and use by respondent-applicant of the trademark OROFER will diminish the distinctiveness and dilute the goodwill of opposer's trademark OROFAR.

"13. The registration of the trademark OROFER in the name of respondent-applicant is contrary to other provisions of the IP Code."

The Opposer's evidence are as follows:

¹ A foreign corporation duly organized and existing under and by virtue of the laws of Switzerland with business address at 4002 Basel, Switzerland.

² With address at Suite 303 SRI Building, 2444 F.B. Harrison St., Pasay City 1300.

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

1. Copy Registration No. 4-2011-002642 for the mark OROFAR issued on 07 July 2011;
2. Copy of Certificate of Registration No. 44750 issued on 19 May 1989;
3. Certificate of Product Registration for the drug Orofar-L issued by FDA;
4. Product packaging of the goods bearing the mark OROFAR;
5. Sales purchase orders, invoices, packing list/weight note, shipping advice and airway bill for products bearing the mark OROFAR;
6. 2013 and 2014 Sales purchase orders and invoices for products bearing the mark OROFAR;
7. Opposer's brochures and/or promotional materials;
8. Certified true copy of the Corporate Secretary's Certificate dated 09 April 2014;
9. Notarized and legalized Affidavit of Mary F. Leheny and Nazuki Hughes dated 09 April 2014; and
10. Novartis AG Annual Report for 2012.

This Bureau issued on 06 May 2014 a Notice to Answer and served a copy to the Respondent-Applicant on 16 May 2014. The Respondent-Applicant filed several Motion for Extension to File Answer which were granted by this Bureau. On 11 August 2014, the Respondent-Applicant filed its Answer alleging the following:

"There is no basis for the Opposition because the trademark OROFER, in fact, had already been registered in the name of Genpharm.

"There is no basis for the Opposition because there is no damage in the part of the Opposer, there being no confusing similarity.

"The Opposer will not suffer from any damage as its trademark OROFAR does not point to its origin or source.

"The use of an identical mark does by itself, lead to a legal conclusion that there is trademark infringement.

"There is no basis for the Opposer to claim that Genpharm intends to trade on the good will of the Opposer."

Respondent-Applicant's evidence consists of the following:

1. Copy of Certificate of Registration No. 4-2004-010001 issued on 03 September 2006;
2. Copies of Drug Registration issued in Ghana, Myanmar, Nigeria, Kenya, Sri Lanka, Cambodia, Tanzania, Zimbabwe, Democratic Republic of Congo and Malawi;
3. Certificate of Registration for the mark OROFER issued in India;
4. Document relation to the application for registration of the mark OROFER with IPOPHL under Application Serial No. 4-2004-010001;
5. Various Certificate of Product Registration for the drug OROFER issued by the Food and Drug Administration;
6. Actual sample of product packaging, photographs of the actual OROFER syrup bottle, drug leaflet/information; actual samples of OROFER capsules and tablets;

7. Actual promotional materials for the OROFER drug;
8. Copy of page 445 of the "Philippine Pharmaceutical Directory Review", 11th edition;
9. Copy of a letter of Mr Arturo Tolentino dated 12 October 2009;
10. Copy of letter of doctors affirming use of the OROFER drug;
11. Copy of Declaration of Actual Use for the mark OROFER;
12. Request for priority examination for the mark OROFER filed with the Bureau of Trademarks under Application Serial No. 4-2013-013581;
13. Copy of the Notice of Allowance and Order granting the request for priority examination for the mark OROFER under Application Serial No. 4-2013-013581; and
14. Affidavit-Testimony of Mr. Prem Hemandes Sujanani.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 14 August 2014. However, the parties failed to settle their dispute. On 11 May 2015, the preliminary conference was terminated and the parties were directed to file their respective position papers. On 20 May 2015, Opposer filed its Position Paper while Respondent-Applicant did so on 21 May 2015. Hence, this case is now ripe for decision.

Should the Respondent-Applicant be allowed to register the trademark **OROFER**?

The Opposer anchors its opposition Section 123.1 (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), as amended:

Sec. 123. Registrability. - 123.1. A mark cannot be registered if it:

x xx

(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;

Explicit from the afore-cited provision of the IP Code that whenever a mark subject of an application for registration resembles another mark which has been registered or has an earlier filing or priority date, said mark cannot be registered.

The records show that at the time the Respondent-Applicant filed its application for the mark OROFER on 12 November 2013, the Opposer already has an existing registration for the trademark OROFAR issued way back in 19 May 1989. As such, its certificate of registration is a *prima facie* evidence of the validity of the registration, its ownership of the mark, and of the exclusive right to use the same in connection with the goods or services specified in the certificate and those that are related thereto.⁴ However, the records of this case also reveals that Respondent-Applicant has been previously issued a registration for its mark OROFER in 03 September 2006. However, because of the non-filing of the Declaration of Actual Use, the trademark was removed from the registry. That is why, Respondent-

⁴ Sec. 138, Intellectual Property Code of the Philippines



Applicant filed this subject application for registration of its mark OROFER. But it bear stressing that 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.⁵ Since the parties have used the marks in commerce, the parties has acquired ownership over their own respective marks.

But are the marks of the parties similar so as to likely cause confusion, mistake or deception on the part of the consuming public? The marks are reproduced below:

OROFAR

Opposer's Mark

Orofer

Respondent-Applicant's Mark

There is no doubt that the marks resemble each other. Although they are presented differently, that is, Opposer's mark is written in plain uppercase letters while that of Respondent-Applicant is written in combination of upper and lower cased italicized letters and with only the letters "A" and "E" differs in the composition of the letters, these differences is very trivial compared to the glaring similarity between the marks.

However, the similarity in the appearance of the applied mark to another mark does not automatically bar its registration. A similar mark may be registered when the goods, upon which the applied mark will be used, is different or non-competing to the goods of another such that it cannot be said that the goods of the latter is manufactured or sourced from the former or that there is a connection between them.

In *Philippine Refining Co., Inc. vs. Ng Sam and The Director of Patents*⁶, the Court ruled:

A rudimentary precept in trademark protection is that "the right to a trademark is a limited one, in the sense that others may use the same mark on unrelated goods." Thus, as pronounced by the United States Supreme Court in the case of *American Foundries vs. Robertson*, "the mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on articles of a different description."

Such restricted right over a trademark is likewise reflected in our Trademark Law. Under Section 4(d) of the law, registration of a trademark which so resembles another already registered or in use should be denied, where to allow such registration could likely result in confusion, mistake or deception to the consumers. Conversely, where no confusion is likely to arise, as in this case, registration of a similar or even identical mark may be allowed.

⁵ *Berris v. Norvy Abdayang*, G.R. No. 183404, October 13, 2010

⁶ G.R. No. L-26676, July 30, 1982



In this case, Respondent-Applicant's mark is used on "*medicines/vitamins, namely anti-anemic*" under Class 5. On the other hand, Opposer's mark is used on "*pharmaceutical preparations*" also under Class 5. It may seem that the goods of the parties are related or competing because they belong to the same classification. However, a closer look at the evidence on record will show that the products or goods that the parties deal with are different and non-competing. According to the product registration issued by the Bureau of Food and Drugs (now Food and Drug Administration (FDA), Opposer's goods pertain to gargle solution used for the treatment of the mouth and throat; pharyngitis, laryngitis, tonsillitis, sore throat, stomatitis, aphthae and gingivitis, thus different from anti-anemic drugs of Respondent-Applicant which is used for treatment of iron deficiency, anemia and other similar disorders. Thus, while their parties' goods belong to the same class, they are not similar, related or competing goods.

In *Taiwan Kolin Corporation Ltd. v. Kolin Electronics Co., Inc.*⁷, the Supreme Court held:

In resolving one of the pivotal issues in this case—whether or not the products of the parties involved are related—the doctrine in *Mighty Corporation* is authoritative. There, the Court held that the goods should be tested against several factors before arriving at sound conclusion on the question of relatedness. Among these are:

- (a) the business (and its location) to which the goods belong;
- (b) the class of product to which the goods belong;
- (c) the product's quality, quantity, or size, including the nature of the package, wrapper or container;
- (d) the nature and cost of the articles;
- (e) the descriptive properties, physical attributes or essential characteristics with reference to their form, composition, texture or quality;
- (f) the purpose of the goods;
- (g) whether the article is bought for immediate consumption, that is, day-to-day household items;
- (h) the fields of manufacture;
- (i) the conditions under which the article is usually purchased; and
- (j) the channels of trade through which the goods flow, how they are distributed, marketed, displayed and sold.

As mentioned, the classification of the products under the NCL is merely part and parcel of the factors to be considered in ascertaining whether the goods are related. It is not sufficient to state that the goods involved herein are electronic products under Class in order to establish relatedness between the goods, for this only accounts for one of many considerations enumerated in *Mighty Corporation*. In this case, credence is accorded to petitioner's assertions that:

- a. Taiwan Kolin's goods are classified as home appliances as opposed to Kolin Electronics' goods which are power supply and audio equipment accessories;
- b. Taiwan Kolin's television sets and DVD players perform distinct function and purpose from Kolin Electronics' power supply and audio equipment; and
- c. Taiwan Kolin sells and distributes its various home appliance products on wholesale and to accredited dealers, whereas Kolin Electronics' goods are sold and flow through electrical and hardware stores.

⁷ G.R. No. 209843, 25 March 2015

Clearly then, it was erroneous for respondent to assume over the CA to conclude that all electronic products are related and that the coverage of one electronic product necessarily precludes the registration of similar mark over another. In this digital age wherein electronic products have not only diversified by leaps and bounds, and are geared towards interoperability, it is difficult to assert readily, as respondent simplistically did, that all devices that require plugging into sockets are necessarily related goods.

It bears to stress at this point that the list of products included in Class can be sub-categorized into five (5) classifications, namely: (1) apparatus and instruments for scientific or research purposes, (2) information technology and audiovisual equipment, (3) apparatus and devices for controlling the distribution and use of electricity, (4) optical apparatus and instruments, and (5) safety equipment. From this sub-classification, it becomes apparent that petitioner's products, i.e., televisions and DVD players, belong to audio-visual equipment, while that of respondent, consisting of automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, and PA amplified AC-DC, generally fall under devices for controlling the distribution and use of electricity.

In the same light, even if the goods of Opposer and Respondent-Applicant are classified under the same class, when the goods belong to different sub-classification, they are considered as different goods or unrelated goods.


Aside from the fact that the goods are non-competing or unrelated, it bears to note that the products of Opposer and Respondent-Applicant bearing their respective marks have been co-existing in the market for a long time already and both parties have acquired their own reputation and goodwill over the time through promotion and advertisements of their goods. As such, it cannot be said that Respondent-Applicant merely adopted a similar mark to ride on the popularity of Opposer's mark or goods. Further, there is also no evidence that the public has been confused, mistaken or deceived into believing that the goods of Opposer is the same as that of Respondent-Applicant or that it came from the same source or manufacturer nor has there been evidence to show that there has been instances that information or perception of the goods of Respondent-Applicant has been unfairly attributed to Opposer's or vice versa.

Accordingly, since Respondent-Applicant has shown that it has complied with the provisions of Section 123.1 (d) of the IP Code, hence, it is entitled to the registration of its mark.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2013-013581, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 07 SEP 2017


MARLITA V. DAGOSA
Adjudication Officer
Bureau of Legal Affairs