

BIOMEDIS, INC.,
Opposer,

- versus-

SRS PHARMACEUTICALS PVT. LTD.,
Respondent-Applicant.

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IPC No. 14-2009-00137
Case Filed on: 18 May 2009

Opposition to:
App. Serial No. 4-2008-011185
Date Filed: 16 September 2009

Decision No. 2010-31

DECISION

BIOMEDIS, INC. ("Opposer"), a corporation organized and existing under the laws of Philippines with business address at 750 Shaw Blvd., Mandaluyong City, filed an opposition to Trademark Application Serial No. 4-2008-011185.¹ The application, filed by SRS PHARMACEUTICALS PVT. LTD. ("Respondent-Applicant"), a corporation organized and existing under the laws of India, with principal office address at 401-D Poonam Chambers, A Wing, Dr. Annie Besant Rd., Worli, Mumbai, India, covers the mark "STARCEF" for use on pharmaceutical and medical preparations for treatment of infections and diseases, illness and ailments, health, food and dietary supplements, home remedy and herbal preparations, food products, medical devices, sanitary preparations; dietetic substances adapted for medical use, food for babies under Class 05 of the International Classification of Goods.²

The Opposer alleges the following:

"1. The trademark 'STARCEF' so resembles 'STANCEF' trademark owned by Opposer, registered with this Honorable Office prior to the publication for opposition of the mark 'STARCEF'. The trademark 'STARCEF', which is owned by the Respondent will likely cause confusion, mistake and deception on the part of the purchasing public, most especially, considering that the opposed trademark 'STARCEF' is applied to the same class of goods as that of trademark 'STANCEF', i.e., Class 05.

"2. The registration of the mark 'STARCEF' in the name of the Respondent will violate Section 123 of Republic Act No. 8293, otherwise known as the 'Intellectual Property Code of the Philippines', which provides, in part, that a mark cannot be registered if it:

'(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;'

Under the above-quoted provision, any mark which is similar to a registered mark shall be denied registration in respect of similar or related goods or if the mark applied for nearly resembles a registered mark that confusion or deception in the mind of the purchasers will likely result.

¹ The application was published in the Intellectual Property E-Gazette on 16 January 2009

² 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.

“3. Respondent-Applicant’s use and registration of the trademark ‘STARCEF’ will diminish the distinctiveness and dilute the goodwill of Opposer’s trademark ‘STANCEF’.

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

“4. Opposer, the owner of the trademark ‘STANCEF’, is engaged in the marketing, and sale of a wide range of pharmaceutical products. The Trademark Application for the trademark ‘STANCEF’ was filed with the Philippine Patent Office on 28 October 1994 by the Opposer’s sister company, Therapharma, Inc. (‘Theraphrama’) and was approved for registration on 30 October 2000 and valid for a period of ten (20) years. Hence, the registration of the ‘STANCEF’ trademark subsists and remains valid to date. Sometime in 2009 Therapharma assigned the ownership of the mark ‘STANCEF’ to herein Opposer.

x x x

“5. The trademark ‘STANCEF’ has been extensively used in commerce in the Philippines.

5.1. Opposer dutifully filed Affidavit of Use pursuant to the requirement of law, to maintain the registration of ‘STANCEF’ in force and effect.

x x x

5.3. In order to legally market, distribute and sell these pharmaceutical preparations in the Philippines, we registered the products with the Bureau of Food and Drugs (BFAD).

x x x

“6. There is no doubt that by virtue of the above-mentioned Certificate of Registration, the uninterrupted use of the trademark ‘STANCEF’, and the fact that they are well known among consumers, the Opposer has acquired exclusive ownership over the ‘STANCEF’ mark to the exclusion of all others.

“7. ‘STARCEF’ is confusingly similar to ‘STANCEF’.

“7.1. 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.

x x x

“7.1.4. Applying the dominancy test, it can be readily concluded that the trademark ‘STARCEF’, owned by Respondent, so resembles the trademark ‘STANCEF’, that it will likely cause confusion, mistake and deception on the part of the purchasing public.

“7.1.4.1. First, the mark ‘STARCEF’ sounds almost the same as the mark ‘STANCEF’;

“7.1.4.2. Second, the mark ‘STARCEF’ appears almost the same as the mark ‘STANCEF’;

“7.1.4.3. Third, the first three letters of both marks are the same, ‘STA’;

“7.1.4.4. Fourth, the last three letters of both marks are the same, ‘CEF’;

“7.1.4.5. Fifth, both marks are composed of seven letters;

“7.1.4.6. Sixth, both marks are composed of three syllables;

“7.1.5. Clearly, the Respondent adopted the dominant features of the Opposer’s mark ‘STANCEF’;

x x x

“7.2. The trademark ‘STANCEF’ and Respondent’s trademark ‘STARCEF’ are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.

“7.2.1. Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed trademark ‘STARCEF’ is applied for the same class of goods as that of the trademark ‘STANCEF’, i.e. Class 05, to the Opposer’s extreme damage and prejudice.

“7.3. Yet, Respondent still filed a trademark application for ‘STARCEF’, despite its knowledge of the existing trademark registration of ‘STANCEF’ which is confusingly similar thereto in both its sound and appearance

“8. Moreover, Opposer’s intellectual property right over its trademark is protected under Section 147 of Republic Act No. 8293, otherwise known as the Philippine Intellectual Property Code (‘IP Code’).

x x x

“9. To allow Respondent-Applicant to continue to market its products bearing the ‘STARCEF’ mark undermines Opposer’s right to its mark. As the lawful owner of the mark ‘STANCEF’, Opposer is entitled to prevent the Respondent from using a confusingly similar mark in the course of trade where such would likely mislead the public.

“9.1. Being the lawful owner of ‘STANCEF’, Opposer has the exclusive right to use and/or appropriate the said marks and prevent 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.

“9.2. By virtue of the Opposer’s registration of the trademark ‘STANCEF’, it also has the right to prevent third parties, such as Respondent, from claiming ownership over Opposer’s marks or any depiction similar thereto, without its authority or consent.

x x x

“9.4. To allow Respondent to use its ‘STARCEF’ mark on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the ‘STARCEF’ product of Respondent originate from or is being manufactured by Opposer, or the very least, is connected or associated with the ‘STANCEF’ product of the Opposer, when such connection does not exist.

“9.5. In any event, as between the newcomer, Respondent, which by the confusion loses nothing and gains patronage unjustly by the association of its products bearing the ‘STARCEF’ mark with the well-known ‘STANCEF’ mark, and the first user and actual owner of the well known mark, Opposer, which by substantial investment of time and resources and by honest dealing has already achieved favor with the public and already possesses goodwill, any doubt should be resolved against the newcomer, Respondent, considering that Respondent, as the latter entrant in the market has a vast range of marks to choose from which would sufficiently distinguish its products from those existing in the market.

“ 10. By virtue of the Opposer’s prior and continued use of the trademark ‘STANCEF’, the same has become well known and established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent’s confusingly similar trademark on its goods will enable the latter to obtain benefit from Opposer’s reputation, goodwill and advertising and will tend to deceive and/or confuse the public into believing that Respondent is in anyway connected with the Opposer.

“11. Likewise, the fact that Respondent seeks to have its mark ‘STARCEF’ registered in the same class (Nice Classification 5) as the trademark ‘STANCEF’ of Opposer will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

“12. Thus, Opposer’s interests are likely to be damaged by the registration and use of the Respondent of the trademark ‘STARCEF’.

x x x

The Opposer’s evidence consists of the following:

1. Exhibit “A” - Print-out from the IPO E-Gazette released for circulation on 16 January 2009 showing the mark STARCEF being allowed for opposition;
2. Exhibit “B” - Certificate of Registration No. 4-1994-98186 issued on 30 October 2000 for the mark STANCEF for Class 5;
3. Exhibit “C” - Assignment of Registered Trademark signed and executed on 26 January 2009;
4. Exhibit “D” - Affidavit of Use for 5th Anniversary of the mark STANCEF filed on 12 December 2005;
5. Exhibit “E” - Sample of product packaging bearing the mark STANCEF; and
6. Exhibit “F” - Certificate of Product Registration issued by the Bureau of Food and Drugs (BFAD) for the brand name STANCEF.

This Bureau issued on 28 May 2009 a Notice to Answer and served a copy thereof to the Respondent-Applicant’s counsel on 19 June 2009. The Respondent-Applicant filed two successive Motions for Extension to File Answer, both of which were granted. On 24 August 2009, the Respondent filed its Answer, alleging the following:

“5. Opposition to the registration of the subject mark is without merit.

“6. Pharmaceutical product names or drug names in the Philippines are governed and regulated by Rep. Act No. 6675 or the Generics Act of 1988, which

requires the primary use of generic names in purchasing, prescribing, and dispensing of drug product.

x x x

“7. Thus, in this jurisdiction, generic names of drug products take prominence over proprietary names or trademarks.

“8. The drug product covered by respondent’s mark is a Bureau of Food and Drugs (BFAD) registered drugs with Certificate of Product Registration (CPR) No. DRP-837 issued on March 13, 2008 to a subsidiary corporation of herein applicant.

x x x

“9. Under its CPR, the generic name of respondent’s drug product is CEFTRIAXONE, a prescription drug, used for the treatment of infections due to sensitive Gram-positive and Gram-negative bacteria, as well as surgical prophylaxis, and meningococcal meningitis.

x x x

“10. On the other hand, the generic name of Opposer’s drug product is CEFAZOLIN, also a prescription drug, which is approved only for the treatment of infections caused by susceptible strains of Gram-positive and Gram-negative microorganisms.

“11. The products in contention are not directly available to consumers. Both being prescription drugs, the product may only be dispensed to the public by a Board certified pharmacist provided that a written prescription from a qualified medical doctor was first secured by the purchaser (Sec. 30, Rep. Act No. 5921, The Pharmacy Law).

“12. Needless to say, both the pharmacist and the medical doctor are experts in the field of medicine and would not likely be confused by pharmaceutical nomenclatures. Moreover, considering that the use of generic names has been made mandatory by the Generics Act neither the pharmacist nor the doctor may even pay attention to the contending brand names ‘STANCEF’ and ‘STARCEF’. Instead, as required by the Generics Act, both medical professionals shall use, in their practice, the generic names ‘CEFAZOLIN’ and ‘CEFTRIAXONE’ which are, obviously, in no way confusingly similar, even as they are not the same product.

x x x

“15. xxx With the Generics Act, medical professionals are mandated to use generic names instead of brand names, as stated. The generic names of the contending marks in this case, ‘CEFAZOLIN’ and ‘CEFTRIAXONE’, are completely dissimilar such that it would be impossible for the medical professionals to confuse one for the other, even as the same generic names are required by law to be prominently displayed in the labels of drug products instead of the trademark / brand names xxx. Significantly, the approved indications of the contending products under their respective CPRs are different: Opposer’s product CEFAZOLIN-STANCEF may only be used to treat infections caused by susceptible strains of Gram positive and Gram negative microorganisms, while the Respondent’s product CEFTRIAXONE STARCEF, may be used to treat surgical prophylaxis and meningococcal meningitis; thus, it would also be highly unlikely that medical professionals would, by confusion, prescribe and/or dispense one for the other.

“16. In sum, because the prescription and dispensation of the drug product in this case are invariably left to the sole discretion of the medical professionals who, by virtue of their profession, are very discerning with regard to pharmaceutical nomenclatures, and because the same medical professionals are required by law to use generic names in their practice, the likelihood of confusion between opposer’s mark ‘STANCEF’ for CEFAZOLIN, and respondent’s ‘STARCEF’ for CEFTRIAXONE is very remote.”

The Respondent-Applicant submitted the following evidence:

1. Exhibit “1” -Photocopy of Certificate of Product Registration No. DRP-837 issued on 13 March 2008 by the BFAD;
2. Exhibit “2” -Photocopy of package insert for the drug Ceftriaxone - Starcef; and
3. Exhibit “3” -Photocopy of sample packaging of the drug Ceftriaxone Starcef.³

The preliminary conference was terminated on 06 April 2010 and this Bureau issued Order No. 2010-428 requiring the parties to submit their respective position papers. The Opposer filed its Position Paper on 26 April 2010 while the Respondent-Applicant did so via registered mail on 04 May 2010.

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

The essence of trademark registration is to give protection to the owner of the trademarks. The function of a trademark is to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into a 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 products.⁴

Thus, Sec. 123.1 (d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines (IP Code), states that 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;

Records show that at the time the Respondent-Applicant filed its trademark application on 16 September 2009, the Opposer has already an existing registration for the mark STANCEF (Registration No. 4-1995-4098186), which will be valid up to 2020. But, are the competing marks identical and used on the same or closely related goods or nearly resembles each other that it is likely to deceive or cause confusion?

The contending marks are reproduced below for comparison.

³ Marked as Annexes “A”, “B” and “C” instead of Exhibit “1”, “2” and “J” as required by the Inter Partes Rules and Regulations.

⁴ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Etepha v. Director of Patents*, 16 SCRA 495.

Stancef

Opposer's Mark

Starcef

Respondent-Applicant's Mark

Obviously, the contending marks are aurally and visually similar. A comparison of the marks shows that both consist of seven (7) letters and of two (2) syllables. The marks have similar first three (3) letters "STA" and likewise contain similar suffix "CEF". The difference lies only in the fourth letter wherein the letter "N" in the Opposer's mark "STANCEF" was replaced with a letter "R" in the Respondent-Applicant's "STARCEF" mark.

With such resemblance, this Bureau finds the competing marks confusingly similar. This is so because the marks are used on similar or closely related pharmaceutical products. STARCEF is used on, among other products, pharmaceutical and medical preparation for treatment of infection and diseases. This product is similar or closely related to the product which STANCEF represents antibacterial medicinal preparation. In fact, the Respondent-Applicant itself in its Position Paper⁵, admitted that the competing marks both cover anti-bacterial drugs.

This Bureau finds untenable the Respondent-Applicant's argument that the competing marks involved are prescription drugs, highly regulated and very expensive incapable of confusion. Even if the drugs involve is a prescriptive drug, it does not mean that confusion is unlikely. The confusion as to prescription drugs could produce harm in contrast to confusion with respect to non-medicinal products. Confusion or mistake in filling up a prescription for either product could produce harmful effects. It is necessary for obvious reasons, to avoid confusion or mistake in the dispensing of pharmaceuticals. Where ethical goods are sold and careless use is dangerous, greater care should be taken in the use of registration of trademarks to assure that no harmful confusion result.⁶

The tests of confusing similarity, thus, are modified when the goods involved are medicinal products. It is proper to require a lesser quantum of proof of confusing similarity for drugs and medicinal preparations.⁷ Although the possibility of confusion in a drug being sold across the counter may be higher, the fact that a drug is sold under prescription or only to physicians cannot by itself be considered a sufficient protection against confusion. The physicians and pharmacists are trained people yet they are not infallible and in medicines, there can be no provisions for mistake since even a possibility of mistake may prove to be fatal. That the drugs are sold under prescription is not sufficient to prevent confusion, which is otherwise likely to occur. In view of the varying infrastructure for supervision of physicians and pharmacists of medical profession in our country due to linguistic, urban, semiurban and rural divide across the country and with high degree of possibility of even accidental negligence, strict measures to prevent any confusion arising from similarity of marks among medicines are required to be taken."⁸

Confusion in this case is in fact a possibility. When written by "long hand", the small letter "r" can be mistaken or read as "n". Thus, there can be a mistake in reading the prescription note.

Also, since the competing marks are almost identical, and in fact, could be mistaken for as identical, even if there is a difference in the indication, confusion of business could arise. Consumers may think that the two different products came from one source, are only a variation of the other. Hence, damage to reputation and goodwill is likely.

⁵ p. 2

⁶ *Office of the Director General Appeal No. 14-06-25* dated 18 April 2008 citing *Glenwood Laboratories, Inc. vs. American Home Products Corp.*, 173 USPQ 19 (1972) 455 F. Reports 2d, 1384

⁷ McCarthy on Trademarks, 3rd Edition, par. 23.12

⁸ *Appeal No. 14-06-25*. Supra, citing *RJ. Strassenburg Co. u. Kenwood Laboratories, Inc.*, reported in 106 USPQ 379.

It must be emphasized that the registration of trademarks involves public interest. Public interest, therefore, require that only marks that would not likely cause deception, mistake or confusion should be registered. The consumers must be protected from deception, mistake or confusion with respect to the goods or services they buy. Trademarks serve to guarantee that the product to which they are affixed to comes up to a certain standard quality. Modern trade and commerce demands that depredations on legitimate trademarks should not be countenanced. The law against such depredations is not only for the protection of the owner but also, more importantly, for the protection of consumers from confusion, mistake, or deception as to the goods they are buying.⁹

To allow the registration of the mark STARCEF in favor of the Respondent-Applicant for use on products similar to the Opposer's will likely cause confusion and thus, damage the interest of the Opposer. The Opposer being the first one to bring into the market the products bearing the mark STANCEF should be protected from deception and confusion. In *American Wire & Cable Co. v. Director of Patents*¹⁰, the Supreme Court held:

“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 appellee had to choose a trademark so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.”

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. The trademark registration system should not be used to perpetuate any acts that would undermine the intellectual property system. A person must not be allowed to get a free ride on the reputation and selling power of the products of another, for a self-respecting person or a reputable business concern does not remain in the shelter of another's popularity and goodwill.”¹¹

WHEREFORE, premises considered the instant opposition to Trademark Application Serial No. 4-2008-011185 is hereby SUSTAINED. Let the filewrapper of Trademark Application Serial No. 4-2008-011185 be returned together with a copy of this DECISION to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 23 June 2010.

Atty. NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office

⁹ *Le Chemise Lacoste, S.A. v. Oscar C. Fernandez et al.*, G.R. No. 63796-97 and G.R. No. 65659, 21 May 1984.

¹⁰ G.R.No.L-26557. 18February1970[31SCRA544

¹¹ *Philippine Nut Industry, Inc. v. Standard Brands, Inc. et al.*, G.R. No. L-23035, 31 July 1975.