

GLAXO GROUP LIMITED  
Opposer,  
- versus -

IPC 14-2004-00102

Opposition to:  
TM Application No. 4-2001-005795  
(Filing Date: 9 August 2001)

UNITED AMERICAN  
PHARMACEUTICALS, INC.  
Respondent-Applicant.  
x-----x

TM: "ZEGEN"

Decision No. 2006-11

## DECISION

This pertains to the Notice of Opposition to the registration of the mark "ZEGEN" bearing Application Serial No. 4-2001-005795 filed on August 9, 2001 for goods falling under Class 05 of the Nice Classification namely, anti-infective medicinal preparation.

The Opposer in the above-entitled case is GLAXO GROUP LIMITED, a corporation duly registered and existing under the laws of the United Kingdom, with principal address at Glaxo Wellcome House, Berkeley Avenue, Greenford Middlesex, UB6 ONN England.

Respondent-Applicant, on the other hand, is UNITED AMERICAN PHARMACEUTICALS, INC., with postal address at 66 United Street, Mandaluyong, Metro Manila.

Accordingly, the grounds for opposition are as follow:

"1. The Opposer is a corporation duly registered and existing under the laws of the United Kingdom, with principal address at Glaxo Wellcome House, Berkeley Avenue, Greenford Middlesex, UB6 ONN England, and represented by herein Jairus Ignatius H. Abiera, with postal address at Suite 910 West, Philippine Stock Exchange Building, Exchange Road, Ortigas Center, 1605 Pasig City, Metro Manila, Philippines;

"2. The Respondent is the applicant of the above mentioned application with postal address at 66 United Street, Mandaluyong, Metro Manila, Philippines as per search with the IPO Website;

"3. The herein Opposer respectfully believes that he will be damaged by the registration of the Respondent under Application No. 4-2001-005795 filed on 08 September 2001, for trademark "ZEGEN". The said trademark has already been published by the IPO;

"4. Opposer is the applicant of the trademark "ZIAGEN" under Application No. 4-1997-122575. The application was filed on 11 July 1997 and the same was granted registration on 26 July 2002;

"5. Section 123 (d) of the Intellectual Property Code of the Philippines explicitly states that a mark cannot be registered if it 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;

"6. The mark "ZEGEN" closely resembles and is confusingly similar to Glaxo Group Limited's mark "ZIAGEN". Both trademarks cover goods in Class 5 of the Nice Classification. The mark "ZEGEN" has been filed in respect of "anti-infective medicinal preparations" whereas "ZIAGEN" is registered in respect of "anti-viral preparations and

substance”. There is a significant risk of confusion due to the similarity between these marks and the goods they respective cover;

“7. The “ZIAGEN” trademark of Opposer has an earlier filing date (11 July 1997) and was granted registration by the Philippine Intellectual Property Office (IPO) on 26 July 2002, as compared to “ZEGEN”, which was filed on 08 September 2001. As such, Opposer has prior right to the said trademark:

“8. “ZIAGEN” trademark is registered in a number of other countries, namely:

Country	Annex
a. United Kingdom	“A”
b. Republic of the Philippines	“B” to “B-2”
c. Dominican Republic	“C” to “C-2”
d. Republic of Honduras	“D” to “D-1”
e. Republic of South Africa	“E” to “E-2”
f. Portugal	“F” to “F-2”
g. Democratic Republic of Congo	“G” to “G-1”
h. France	“H” to “H-4”
i. Cyprus	“I” to “I-1”
j. Bosnia and Herzegovina	“J” to “J-3”
k. Netherlands Antilles	“K”
L. European Union	“L” to “L-5”
m. Serbia and Montenegro	“M” to “M-1”
n. Republic of Mozambique	“N” to “N-1”
o. Russian Federation	“O” to “O-3”
p. Morocco	“P” to “P-1”
q. Republic of Botswana	“Q” to “Q-2”
r. Nicaragua	“R” to “R-2”
s. West Bank	“S”
t. African Union (OAPI)	“T” to “T-2”
u. Turkey	“U” to “U-1”
v. Canada	“V” to “V-2”

w. Israel	"W" to "W-2"
x. United Arab Emirates	"X" to "X-2"
y. Kingdom of Cambodia	"Y" to "Y-2"
z. Slovak Republic	"Z" to "Z-2"
aa. Denmark	"AA" to "AA-3"
bb. Thailand	"BB" to "BB-2"
cc. Kingdom of Saudi Arabia	"CC" to "CC-1"
dd. Republic of Federation of Brazil	"DD"
ee. People's Republic of Korea	"EE" to "EE-3"
ff. Republic of Poland	"FF" to "FF-5"
gg. Panama	"GG" to "GG-1"

"9. Trademark certificates in respect of the above are attached and marked to demonstrates that the Opposer has prior rights to the mark "ZIAGEN" globally, including the Philippines"

Pursuant to the Amended Notice of Opposition filed by Opposer on August 6, 2004, a Notice to Answer was subsequently issued requiring the Respondent-Applicant to file its Answer within fifteen (15) days from receipt of the said Notice.

On September 15, 2004, Respondent-Applicant duly filed its Answer specifically admitting and denying certain allegations in the Notice of Opposition and setting forth the following affirmative allegations and defenses, to wit:

"1. Respondent is the owner of the "ZEGEN" mark. To protect its ownership, Respondent filed Application Serial No. 4-2001-005795 with the IPO on 8 September 2001.

"2. Respondent has been continuously using the "ZEGEN" mark in the Philippines since 15 September 2003. The mark is used on cefuroxime acetyl products, which are for the treatment of bone and joint infections, bronchitis and other lower respiratory tract infections, gonorrhoea, meningitis, otitis media, peritonitis, pharyngitis, sinusitis, skin infections, surgical infections and urinary tract infections. Copies of the Declaration of Actual Use dated 2 February 2004 filed by the Respondent with the IPO, with the supporting labels and sales invoices, and the relevant pages of MIMS 100<sup>th</sup> Edition 2004, are attached and made integral parts hereof.

"3. In contrast, Opposer has never used the "ZIAGEN" mark in the Philippines. Under the Food, Drugs and Cosmetics Act, all medicine preparations have to be registered with the Bureau of Food and Drugs (BFAD) before they can be marketed, distributed and sold in the Philippines. In the application for drug registration, an applicant must specify and register with BFAD the brand name (i. e., trademark) that will be used on the product. There is no record at all in BFAD showing that Opposer has registered, or even commenced the registration of, any product using the "ZIAGEN" mark. A copy of the BFAD letter dated 25 August 2004 to Atty. Modesto Alejandro, Jr. certifying that the "ZIAGEN" mark has not been registered with BFAD is attached and made an integral part hereof.

“4. Further, Office Order No. 21, series of 2001 of this Honorable Office requires trademark registration applicants who file their applications on or before 1 December 1998, irrespective of whether filed under Republic Act No. 8293 of Republic Act No. 166, as amended, to file their Declaration of Actual Use and Evidence of Use not later than 1 June 2002, failing which the application for registration shall be refused or the registered mark shall be removed from the Trademark Registry. There is nothing in the Opposition to show that Opposer complied with this requirement with respect to its ZIAGEN mark. Either Opposer submitted a criminally perjurious Declaration of Actual Use to support its application its application for the alleged registration of the “ZIAGEN” mark was issued in violation of said Office Order. In both cases, the alleged registration of the “ZIAGEN” mark is invalid and should therefore be cancelled. Opposer is obviously engaged in warehousing of marks, a pernicious and anti-competitive practice that this Office by law and regulations seeks to prevent.

“5. Assuming in argumenti gratia that the “ZIAGEN” registration was validly issued, there is nevertheless no basis for Opposer’s allegation that “ZEGEN” is confusingly similar to “ZIAGEN” for the following reasons:

- 5.1 First, no “ZIAGEN” product has been allowed by BFAD to be marketed, distributed and sold in the Philippines. Hence, it is only “ZEGEN” which exists in the Philippine market. Pray, how can there be confusion when only one product exists?
- 5.2 Second, Opposer’s own trademark application, which it conveniently did not attach to its opposition, states that the “ZIAGEN” mark is to be used for “anti-viral pharmaceutical preparations and substances, sold only under prescription”. The phrase “sold only under prescription” was also conveniently omitted by the Opposer in paragraph 6 of the opposition, where Opposer described the products for which the “ZEGEN” and “ZIAGEN” marks are to be applied. In *Etepha v. Director of Patents and Westmont Pharmaceuticals, Inc.*, 16 SCRA 495 (1996), the Supreme Court was unequivocal in making a distinction between prescription medicines and ordinary consumer items:

“In the solution of a trademark infringement problem, regard too should be given to the class of persons who but the particular product and the circumstances ordinarily attendant to its acquisition. The medical preparation clothed with the trademarks in question [i. e., ATUSSIN and PERTUSSIN] are unlike articles everyday use such as candies, ice cream, milk, soft drinks and the like which may be freely obtained by anyone, anytime, anywhere. Petitioner’s and Respondent’s product are to be dispensed upon medical prescription. The respective labels say so. An intending buyer must have to go first to a licensed doctor of medicine; he receives instructions as to what to purchase; he read the doctor’s prescription; he knows what he is to buy. He is not incautious, unwary, unobservant or unsuspecting type; he examines the product sold to him; he checks whether it conforms to the medical prescription. The common trade channel is the pharmacy or the drugstore. Similarly, the pharmacist or druggist verifies the medicine sold. The margin of error in the acquisition of one for the other is quite remote.”

“ZEGEN” is a likewise a prescription product. Hence, even assuming arguendo that Opposer’s “ZIAGEN” product is available in the Philippines the likelihood of confusion is remote under the standard laid down in *Etepha*.

- 5.3 And third, in determining whether two trademarks are confusingly similar, the two marks in their entirety as they appear in the respective labels must be considered in

relation to the goods to which they are attached. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other. (Mead Johnson & Company v. N.V.J. Van Dorp Ltd., et. al., 7 SCRA 768 (1963), at 771). Alas, Opposer has not seen fit to attach a copy of the "ZIAGEN" label in its Notice of Opposition, but chances are (assuming such a product exists in the Philippines) it would be different in its entirety from that of Respondent's "ZEGEN" product, particularly as regards color and font.

"6. In a crude attempt to qualify its "ZIAGEN" mark as a well-known mark, Opposer claims that it has registrations for the "ZIAGEN" mark in several countries. Mere registrations, however, do not qualify a mark for internationally well-known status. It is actual use and aggressive promotions which are the relevant factors. An independent market research study will immediately belie Opposer's attempt to present its "ZIAGEN" mark is better known to prescribing doctors and end-users.

"7. A skunk should be called by its name. The opposition is a shameless attempt by the Opposer, acting on behalf of its local affiliates Glaxo Smith Kline Philippines, Inc. (GSK) and Duncan Pharmaceuticals, Inc. (Duncan), to stop or at least derail the marketing, distribution and sale by Respondent of "ZEGEN", the generic equivalent of GSK's ZINNACEF and Duncan's ZINNAT and thus preserve the market monopoly hitherto enjoyed by the latter companies. In response to the national government's call for a reduction in the prices of essential medicines, Respondent launched "ZEGEN" products last year at prices which are on the average forty percent (40%) lower than those of ZINNACEF and ZINNAT. With barely a year after its launching, "ZEGEN" has significantly sliced into the market share of ZINNACEF and ZINNAT. Indeed, the instant Opposition is an anti-competitive and cynical measure by Opposer to preserve the market monopoly of its local affiliates at the expense of the people's health. Hence, for this reason and all the reasons cited above, the instant Opposition must fail."

In the advent of Office Order No. 79 and considering that this case has undergone Pre-Trial Conference, this Bureau issued an Order No. 2005-856 dated 10 October 2005 requiring the parties to inform this Bureau within fifteen (15) days from receipt of said Order whether or not the parties agree to be governed by the summary rules.

Upon manifestation of Respondent-Applicant's counsel, this case was governed by the summary rules wherein the parties were directed to file their respective evidences in support of their claims in compliance with provisions of Office Order No. 79

Opposer duly filed its Compliance on December 16, 2005 while this Bureau received Respondent-Applicant's Compliance on March 16, 2006. Thereafter case was scheduled for Preliminary Conference which was finally terminated on May 25, 2006. Hence, this case is no deemed submitted for decision.

The main issued to be resolved in this case is:

Whether or not Respondent-Applicant is entitled to the registration of the mark "ZEGEN"

This Bureau resolves in the negative.

It should be noted that the trademark application being opposed was filed on August 9, 2001 or during the effectivity of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines. Thus, the applicable provision of law in resolving the issue involved is Sec. 123.1 (d) of R.A. 8293, which provides:

"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;

x x x

The determinative factor in a contest involving registration of trade mark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public. x x x The law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it. (American Wire and Cable Company v. Director of Patents, 31 SCRA 544)

In the case, the marks in dispute involve the trademark "ZIAGEN" of Opposer and "ZEGEN" of Respondent-Applicant. From the records, it appears that both marks belong to Class 5 and fundamentally intended to treat infections.

Upon visual examination of the contending marks itself, it is undeniable that there exists likelihood of confusion between the Opposer's "ZIAGEN" mark and that of Respondent-Applicant's "ZEGEN" trademark. Substantially, both trademarks contain the same letters beginning with the letter "Z" and ending with the suffix "GEN". The distinction lies with respect to the middle letters of the marks as Opposer's "ZIAGEN" mark contains the letter "E". As correctly observed by the Opposer, four out of the five letters of the opposed trademark are the same similarly arranged as the Opposer's trademark.

Likelihood of confusion is likewise apparent in the sound and pronunciation of the marks "ZIAGEN" of Opposer and "ZEGEN" of Respondent-Applicant. Both marks are capable of near identical pronunciation due to the possible identical pronunciation of the letters "I" and "E" as Opposer's "ZIAGEN" is pronounced as "ZEE-A-GEN" while Respondent-Applicant's "ZEGEN" is pronounced as "ZEE-GEN".

It is likewise observed that the trademarks involved herein do not contain a generic or descriptive suffix thus, it catches the attention of this Bureau why in the million of terms and combination of letters and designs available, Respondent-Applicant had to choose a mark closely similar or related to that of another's trademark.

Relative thereto, it was provided in WECO PRODUCTS CO. v. MILTON RAY CO., 143 F 2d, 985, 32 C.C.P.A. Patents 1214, that:

"Those who desire to distinguish their goods from the goods of another have a broad field from which to select a trademark for their wares and there is no such poverty in the English language or paucity of signs, symbols, numerals, etc., a to justify one who really wishes to distinguish his products from those of all others entering the twilight zone of a field already appropriated by another."

While it is a fact that both marks of Opposer and Respondent-Applicant require medical prescription, the existence of error is still possible considering that both marks are closely related to each other.

Considering that Respondent-Applicant has passed upon the issue of non-filing of Declaration of Actual Use by the Opposer, suffice it so say that the filing of the same is not necessary considering that Opposer's trademark application was filed under the Old Trademark Law (R.A. 166, as amended) which requires registration based on home or local use as provided for under Secs. 37 and "2-A" of Republic Act No. 166, as amended. It will be noted that Opposer's "ZIAGEN" trademark was applied for registration on July 11, 1997 and was actually granted Certificate of Registration over the said trademark on July 26, 2002 under Registration No. 4-1997-122575 (Exhibit "B").

Furthermore, the alleged non-use by the Opposer of its trademark is immaterial to the instant opposition as what is relevant is the fact that the "ZIAGEN" trademark is already registered and therefore, entitled to protection under the law.

WHEREFORE, premises considered, the Notice of Opposition is hereby SUSTAINED. Consequently, application bearing Serial No. 4-2001-05795 filed by Respondent-Applicant UNITED AMERICAN PHARMACEUTICALS, INC. on August 9, 2001 for the registration of the mark "ZEGEN" used for anti-infective medicinal preparation is, as it is hereby, REJECTED.

Let the filewrapper of the trademark, "ZEGEN", subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.  
Makati City, 16 October 2006.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs  
Intellectual Property Office