MERCK KgaA,
Opposer,

- versus -

MEDHAUS PHARMA, INC.,
Respondent-Applicant
x----------x

IPC No. 14-2009-00226
Case Filed : 15 September 2009
Opposition to:

Appln. Serial No.. : 04-2009-003082
Date Filed : 24 March 2009
Trademark : "AIREX"

Decision No. 2010-57

DECISION

MERCK KgaA ("Opposer"), a German corporation with general partners with business address at Frankfurter Strasse 250, 64293 Darmstadt, Germany, filed on 09 May 2009 an opposition to Trademark Application Serial No. 4-2009-003082[1]. The application filed by MEDHAUS PHARMA, INC., ("Respondent-Applicant"), a Philippine corporation with principal address at No. 139 K1st Street, Kamuning, Quezon City, covers the mark AIREX for use on *"antibacterial medicines"* covering the goods under class 5 of the International Classification of goods.[2]

The Opposer alleges the following:

"1. The mark AIREX which Respondent-Applicant seeks to register so resembles Opposer's registered trademark AFOREX which when applied to or used in connection with the goods covered by the application under opposition will likely cause confusion, mistake and deception on the part of the purchasing public.

"2. The registration of the mark AIREX in the name of Respondent-Applicant will violate Section 123.1 (d) of Republic Act No. 8293 ("Intellectual Property Code ") which categorically provides that "(a) mark cannot be registered if it:

x x x

(d) Is identical with a registered mark belonging to a different proprietor or 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 nearly resembles such a mark as to be likely to deceive or cause confusion;

Thus, any mark which is identical with a registered mark belonging to a different person or legal entity should be denied registration in respect of similar or related goods, or if the mark applied for registration nearly resembles such registered mark that confusion or deception in the mind of the buying public will likely result.

"3. Respondent-Applicant's use and registration of the mark AIREX will diminish the distinctiveness of Opposer's registered trademark AFOREX.

1 Application was published in the Intellectual Property Office of the Philippines (IPP) E-Gazette, 25 May 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 the Registration of Marks concluded in 1957.

The Opposer relied on the following facts to supports its opposition:

"1. Opposer is a German corporation with general partners engaged in the business of manufacturing and distributing pharmaceutical products and preparations classified under International Class 5 of the NICE Classification.

"2. Opposer is the registered owner in the Philippines of the trademark AFOREX as evidenced by Certificate of Trademark Registration No. 4-2008-012402 issued on 05 January 2009 covering the goods under International Class 05.

"3. Opposer has adopted the trademark AFOREX.

"4. Opposer's Philippine Trademark Registration No. 4-2008-012402 has not been abandoned and is currently in full force and effect. By virtue of Certificate of Trademark Registration NO. 4-2008-012402, Opposer has acquired ownership over the mark AFOREX to the exclusion of all others.

"5. Opposer's aforementioned registered trademark AFOREX and the mark AIREX which Respondent-Applicant seeks to register are practically identical in sound and appearance that they leave the same commercial impression upon the purchasing public.

"6. The mark AIREX which Respondent-Applicant seeks to register is confusingly similar to Opposer's registered trademark AFOREX as likely to cause confusion, mistake and deception to the public as to the source or origin of Respondent-Applicant's goods.

"7. In view of the prior adoption and registration of the trademark AFOREX by the Opposer, Respondent-Applicant is clearly not entitled to register the confusingly similar mark AIREX.

"8. The registration of the trademark subject of the instant opposition will undoubtedly violate Opposer's rights and interests in its AFOREX trademark, cause confusion between Opposer's and Respondent-Applicant's businesses and products, and will most assuredly result in the dilution and loss of distinctiveness of Opposer's registered trademark AFOREX.

The Opposer's evidence consists of the following:

1. Exhibit "A" - Special Power of Attorney;
2. Exhibit "B"- Affidavit of Dr. Martin Andre and Themar Zeus;
3. Exhibit "C" - Certified true copy of Opposer's Certificate of Philippine Trademark Registration No. 4-2008-021402 issued on 05 January 2009 for the mark AFOREX; and
4. Exhibit "D" - Publication of Respondent-Applicant's Trademark Application No. 4-2009-003082 for the mark AIREX.

This Bureau issued a Notice to Answer on 25 September 2009 and served a copy thereof to the Respondent-Applicant. The Respondent-Applicant, despite having received the Notice to Answer on 13 October 2009, did not file its answer. Hence, Rule 2, Section 11 of the Regulations on Inter Partes Proceedings, provides:

Section 11. *Effect of failure to file an Answer*. - In case the Respondent-Applicant fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the Petition or Opposition, the affidavit of the witnesses and documentary evidence submitted by the Petitioner or Opposer.

The only issue to be resolved in this particular case is:

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

It is emphasized that the essence of trademark registration is to give protection to the owner of 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 manufacturer against substitution and sale of an inferior and different article as his products.[3] Thus, Section 123.1 (d), of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), 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 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 24 March 2009, the Opposer already has an existing registration for the mark AFOREX (Registration No. 4-2008-012402), issued on 05 January 2009. The Opposer's trademark registration covers *"pharmaceutical preparation for the prevention and treatment of cardiovascular diseases".*

The questions are: Are the competing marks, as shown below, resemble each other such that confusion or deception is likely to occur? Are the competing marks used on similar or closely related goods?

AFOREX

Opposer's mark

AIREX

Respondent-Applicant's mark

The first and last three (3) letters of the competing marks are the same. However, the letter "I" between the letters "A" and "R" in the Respondent-Applicant's mark gives the said mark a visual and aural character that is distinct from the Opposer's mark. The visual difference, between the marks is enhanced when these are placed side by side. The observer's eyes are drawn towards the letters "A", "F" and "O", with respect to the Opposer's mark, and the letters "A" and "I", as regard to the Respondent-Applicant's. Even if written in the long hand, as the doctors would do in prescribing medicines, the letters "FO" in the Opposer's mark would easily distinguish it from the Respondent-Applicant's mark. And, while the competing marks last syllables are identical, the stress on the preceding syllables easily allow one to differentiate one from the other on the basis of the sounds that are produced in pronouncing them.

This Bureau also noticed that the competing marks are used on different pharmaceutical products or treatment, specifically *anti-bacterial medicines* for the Respondent-Applicant, and for the prevention and treatment of cardiovascular diseases for the Opposer's mark. Thus, the competing marks are used on non-competing products. Hence, confusion or deception is unlikely.

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

Considering also, that the marks are found to be distinct from one another, the likelihood of one buying the wrong product to treat the illness which the other product applies, is nil.

WHEREFORE, premises considered, the opposition is hereby SUSTAINED. Let the filewrapper of the Trademark Application Serial No. 4-2009-003082 together with a copy of this DECISION be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 29 July 2010.

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