

MERCK KGaA,
Opposer,

- versus -

ULTRAMED PHARMA INC.,
Respondent-Applicant.

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IPC No. 14-2009-00277
Opposition to:

Appl. Serial No. 4-2009-001238
Date Filed: : 06 February 2009
Trademark : "ATOR-20"

Decision No. 2010-59

DECISION

MERCK KGaA ("Opposer"), a German corporation with business address at Frankfurter Strabe 250, 64271 Darmstadt, Germany, filed on 27 November 2009 an opposition to Trademark Application Serial No. 4-2009-001238. The application, filed by ULTRAMED PHARMA INC. ("Respondent-Applicant), a Philippine corporation 3rd with address at Floor, 141 Scout de Guia Street, Kamuning, Quezon City, Philippines, on 06 February 2009, covers the trademark "ATOR-20" for use on goods under Class 05¹, specifically, pharmaceutical products, namely, *anti hyperlipidaemic agents*.²

The Opposer alleges the following:

"1. The mark 'ATOR-20' which respondent-applicant seeks to register so resembles Opposer's registered trademark 'AFOR' 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. The trademark 'ATOR-20' is also confusingly similar to Opposer's 'AFOR' family of trademarks all under International Class 05 and which are specified hereunder:

x x x

"2. The registration of the mark 'ATOR-20' in the name of respondent-applicant will violate Section 123.1 (d) of Republic Act No. 8293 (Intellectual Property Code') which categorically provides that:

x x x

"3. 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.

"4. Respondent-applicant's use and registration of the mark 'ATOR-20' will diminish the distinctiveness and dilute the goodwill of Opposer's registered trademark 'AFOR' and its related mark falling under the 'AFOR' family of marks.

"In support of the instant opposition, Opposer will rely principally on and prove the following facts:

1 The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

2 The application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 03 August 2009.

"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 05 of the Nice Classification.

"2. Opposer is the registered owner in the Philippines of the trademark 'AFOR' as evidenced by Certificate of Trademark Registration No. 4-2008014295 issued on 16 March 2009 covering goods under International Class 05. Opposer is likewise the registered owner and applicant of several other trademarks in the Philippines all falling under Class 05 and bearing the prefix 'AFOR'.

"3. Opposer has adopted and has been in continuous and extensive commercial use of its trademarks bearing the prefix 'AFOR'.

"4. Opposer's Philippine Trademark Registration No. 4-2008-014295 has not been abandoned and is currently in full force and effect. By virtue of Certificate of Trademark Registration No. 4-2008-014295, Opposer has acquired ownership over the mark 'AFOR' to the exclusion of all others.

"5. Opposer's aforementioned registered trademark 'AFOR' and the mark 'ATOR-20' 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 'ATOR-20' which respondent-applicant seeks to register is confusingly similar to Opposer's registered trademark 'AFOR' as likely to cause confusion, mistake and deception to the public as to the source or origin of respondent-applicant's goods.

"7. Opposer has invested a tremendous amount of its resources in the promotion of its 'AFOR' trademark and its other marks belonging to its 'AFOR' family of trademarks as a result of which the said trademarks have gained popularity in the Philippines. Thus, the use by, and registration in favor of, respondent-applicant of the confusingly similar mark 'ATOR-20' on its goods will enable it to unjustly benefit from Opposer's established reputation and goodwill.

"8. In view of the prior adoption, use and registration of the trademark 'AFOR' by the Opposer as well as its related trademarks, respondent-applicant is clearly not entitled to register the confusingly similar mark 'ATOR-20'.

"9. The registration of the trademark subject of the instant opposition will undoubtedly violate Opposer's rights and interests in its 'AFOR' and related marks, cause confusion between Opposer's and respondent-applicant's business and products, and will most assuredly result in the dilution and loss of distinctiveness of Opposer's registered trademark 'AFOR' and related marks."

This Bureau issued and served upon the Respondent-Applicant a Notice to Answer on 05 February 2010. The Respondent-Applicant, however, did not file an Answer. Thus, pursuant to Rule 2, Section 11 of the Regulations on Inter Partes Proceedings, as amended, the case was deemed submitted for decision on the basis of the opposition and evidence submitted. The Opposer's evidence consists of the following:

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| 1. Exhibit "A" | - | Special Power of Attorney; |
| 2. Exhibit "B" | - | Affidavit of Friederike Rotsch & Thomas Zens; |
| 3. Exhibit "B-1" | - | Certificate of Registration trademark AFORBES; |
| 4. Exhibit "B-2" | - | Certificate of Registration trademark AFORDEL; |
| 5. Exhibit "B-3" | - | Certificate of Registration trademark AFOREX; |
| 6. Exhibit "B-4" | - | Certificate of Registration trademark AFORGET; |
| 7. Exhibit "B-5" | - | Certificate of Registration trademark AFORGLIDE; |
| 8. Exhibit "B-6" | - | Certificate of Registration trademark AFORGLIM; |
| 9. Exhibit "B-7" | - | Certificate of Registration trademark |

10. Exhibit "B-8" - AFORGLIMIDE; and
Certificate of Registration trademark AFORALL.

Should the Respondent-Applicant be allowed to register the mark ATOR-20 in its favor?

It is emphasized that 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 product³.

The Opposer anchors its opposition on Sec. 123.1 (d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), which provides that a mark shall not 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;

The competing marks are reproduced below for comparison:

AFOR

ATOR-20

mark

The competing marks have identical letters, "A", "O" and "R". But the difference in the second letters, letter "T" in the Opposer's, and "F" with respect to the Respondent-Applicant's, has rendered a visual and aural character on one mark that is distinct from the other. Pharmacists or sales clerks are unlikely to commit mistakes in dispensing the product the consumers intend to buy. Prescriptions, usually written in the long hand, would be clear on the pharmaceutical products because the letter "T" is written very differently from the letter "F". Also, the letter "T" has a more pronounced but short sound while the letter "F" has a soft and longer resonance. The numerical element of "20" in the Respondent-Applicant's trademark also accentuates the distinction between the competing marks.

Moreover, records show that while the Opposer's and the Respondent-Applicant's respective goods belong to Class No. 05, the Opposer's trademark AFOR covers pharmaceutical products for treatment of diseases pertaining to animals, as against the Respondent-Applicant's marks which are used for pharmaceutical products intended for humans.⁴ The parties' respective products, therefore, are of distinct nature and of different compositions, purposes and channels of trade.

³ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999, citing *Etepha v. Dir. of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (I), Art. 16, par 91), of the Trade related Aspect of Intellectual Property (TRIPS Agreement).

⁴ Anti-hyper cholesterol agents used for the treatment of hyperlipidemias or the condition of abnormally elevated levels of any or all lipid or lipoproteins in the blood. (sources: www.ykpharmacy.com/medicine/antihyperlipidaemic.htm; <http://en.wikipedia.org>; www.thefreedictionary.com)

It is highly improbable, as practical mind dictates, to confuse a medicine for human for that of animals, especially, for the reason that the parties' respective drugs can be purchased in different stores. Thus, committing mistake in buying one thinking that what was purchased is the other, is nil. The situation is not the same as when two competing brands cater to or treat the same or related diseases. It is unlikely that the consumers will associate the Respondent-Applicant's mark and product with the Opposer's and vice-versa. As such, adverse effect on the reputation or goodwill of the Opposer's mark, cannot be fairly inferred.

The foregoing notwithstanding this Bureau finds that ATOR-20 should not be registered.

It is stressed that an opposition proceeding is basically a review of the trademark application in question; succinctly, to determine whether the requirements for registrability under the law were met or complied with.

In this regard, Sec. 123.1, pars. (h) and (j), of the IP Code provide that a mark cannot be registered if it:

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

x x x

(j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;

Generic marks are common words that describe an entire class of goods or services. Generic terms are those which constitute "the common descriptive name of an article or substance," or comprise the "genus of which the particular product is a species," or are "commonly used as the name or description of a kind of goods," or "imply reference to every member of a genus and the exclusion of individuating characters," or "refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product," and are not legally protectable. On the other hand, a term is descriptive and therefore, invalid as a trademark if, as understood in its normal and natural sense, it "forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is", or "if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods", or if it clearly denotes what goods or services are provided in such a way that the consumers do not have to exercise powers of perception or imagination.⁵

In this instance, the Respondent-Applicant's trademark application states, among other things, the description of the mark as the: "Brand name to Atorvastatin Calcium 20 mg." Obviously, ATOR 20 is derived from the generic name, Atorvastatin.

Moreover, the mark is descriptive. Apart from "ATOR" having been derived from a generic name, the number "20" forthwith conveys the quantity of dosage, that is "20 mg." That the mark is actually descriptive is shown by the fact that the labels of pharmaceutical products indicate both the brand/mark and the generic name. Thus, consumers encountering the Respondent-Applicant's product readily see ATOR as a mere "contraction" of its generic name "Atorvastatin", and "20", as the dosage indication.

The danger of allowing the registration of ATOR 20 should be considered in the light of ATOR 20 being confusingly similar to "ATORVASTATIN CALCIUM" or "ATORVASTATIN CALCIUM 20 mg", regardless of whether these are used and indicated in the label as

⁵ *Societe des Produits Nestle, et al. v. Court of Appeals, G.R. No. 112012, 04 April 2001.*

brands/marks or as generic names. If the mark is registered, the Respondent-Applicant is conferred a monopoly or exclusivity of use of the mark, thus, giving it the right to prevent others from using an identical or a confusingly similar mark, and to sue for trademark infringement and/unfair competition against parties using an identical or a confusingly similar mark or name in their products. It is, therefore, absurd that the Respondent-Applicant, assuming it is granted the trademark registration, would have the right to prevent others to use and indicate the generic name in their own pharmaceutical products.

WHEREFORE, the instant Opposition is hereby SUSTAINED on the grounds as stated above. Let the file wrapper of Trademark Application No. 4-2009-001238 be returned together with a copy of this Decision to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Makati City, 29 July 2010.

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