

WESTMONT PHARMACEUTICALS, INC.,	}	IPC NO. 14-2008-00155
	}	Case Filed : 24 April 2008
Opposer,	}	
	}	Opposition to:
- versus -	}	Appln. No. : 4-2007-011973
	}	Date Filed : 26 October 2007
BROWN & BURK PHILIPPINES, Respondent-Applicant.	}	Trademark : "HYDRIED"
x-----x	}	Decision No. 2009-48

DECISION

This pertains to a Verified Opposition filed on 24 April 2008 by herein opposer, Westmont Pharmaceuticals, Inc., a corporation duly organized and existing under the laws of the Philippines with principal office at 4th Floor Bonaventure Building, Greenhills, San Juan City, against the application filed on 26 October 2007 bearing Serial No. 4-2007-011973 for the registration of the trademark "HYDRIED" used for goods in Class 05 namely, pharmaceutical product used for the treatment of edema, control of essential hypertension, management of diabetes insipidus (DI; central and nephrogenic), management of proximal renal tubular acidosis, idiopathic and calcium nephrolitiasis, osteoporosis (reduce incidence of hip and vertebral fractures in elderly), renal hypophosphatemic rickets and exercise-induced hyperkalemia, which application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 22 February 2008.

The respondent-applicant in this instant opposition is Brown & Burk Philippines, likewise a domestic corporation with principal address at 302-B RCI Building, 105 Rada St., Legaspi Village, Makati City.

The grounds for the opposition to the registration of the trademark are as follows:

1. The trademark "HYDRIED" so resembles "HYDRITE" trademark owned by Opposer, registered with this Honorable Office prior to the publication for opposition of the mark "HYDRIED". The trademark "HYDRIED", which is owned by Respondent, will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed trademark "HYDRIED" is applied for the same class and goods as that of trademark "HYDRITE", i.e. Class (5);
2. The registration of the trademark "HYDRIED" in the name of the Respondent will violate Sec. 123 of Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines", x x x
3. Respondent's use and registration of the trademark "HYDRIED" will diminish the distinctiveness and dilute the goodwill of Opposer's trademark "HYDRITE".

The allegation of facts are as follows:

4. Opposer, the registered owner of the trademark "HYDRITE", is engaged in the marketing and sale of a wide range of pharmaceutical products. The Trademark Application for the trademark "HYDRITE" was filed with the Bureau of Patents, Trademarks and Technology Transfer (BPTTT) by Opposer and was approved for registration 4 May 1990 and valid for a period of twenty (20) years or until 4 May 2010. The Opposer's registration of the "HYDRITE" trademark subsists and remains valid to date. x x x

5. The trademark "HYDRITE" 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 "HYDRITE" 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 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 "HYDRITE", and the fact that they are well-known among consumers, the Opposer has acquired an exclusive ownership over the "HYDRITE" marks to the exclusion of all others.

7. "HYDRIED" is confusingly similar to "HYDRITE".

7.1 There are no set of 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 "HYDRIED", owned by Respondent, so resembles the trademark "HYDRITE", that it will likely cause confusion, mistake and deception on the part of the purchasing public.

7.1.4.1 First, "HYDRIED" appears almost the same as "HYDRITE";

7.1.4.2 Second, "HYDRIED" sounds almost the same as "HYDRITE";

7.1.4.3 Third, both marks are composed of two (2) syllables;

7.1.4.4 Fourth, the first syllables of both marks not only appear the same but also sound the same "HYD" ["hayd"];

7.1.4.5 Fifth, the second syllables of both marks are pronounced in the same way: "DRAYD" and "DRAYT";

7.1.5 Clearly, the Respondent adopted the dominant features of the Opposer's mark "HYDRITE";

x x x

7.2 The trademark "HYDRITE" and Respondent's trademark "HYDRIED" 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 "HYDRIED" is applied for the same class and goods as that of trademark "HYDRITE", i.e. Class (5); to the Opposer's extreme damage and prejudice.

7.3 Yet, Respondent still filed a trademark application for "HYDRIED" despite its knowledge of the existing trademark registration of "HYDRITE" which is confusingly similar thereto in both 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 to continue to market its products bearing the "HYDRIED" mark undermines Opposer's right to its marks. As the lawful owner of the mark "HYDRITE", 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.

x x x

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 "HYDRIED" mark with the well-known "HYDRITE" 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 had vast range of marks to choose from which would sufficiently distinguish its products from those existing in the market.

10. By virtue of Opposer's prior and continued use of the trademark "HYDRITE", the same have become well-known and established valuable goodwill to 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 any way connected with the Opposer.

11. Likewise, the fact that Respondent seeks to have its mark "HYDRIED" registered in the same class (Nice Classification 5) as the trademark "HYDRITE" 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 "HYDRIED".

x x x"

Subsequently, this Bureau issued a Notice to Answer dated 29 July 2008 to herein respondent-applicant's agent, Santosh Belvi, requiring the filing of Answer within fifteen (15) days from receipt. The notice was duly received on 01 August 2008 but despite sufficient lapse of time, this Bureau did not receive an Answer nor any motion relative thereto from respondent-applicant or its agent. Thence, in accordance to Section 11 of Office Order No. 79, series of 2005 or the Amendments to the Regulations on Inter-Partes Proceedings, this instant case is deemed

submitted for decision on the basis of the opposition and its evidence, offered and admitted as follows: Exhibits "A" to "G".

The Issue –

Whether or not there is confusing similarity between opposer's registered trademark "HYDRITE" and respondent-applicant's applied mark "HYDRIED" both covering class 05 goods.

Section 123.1 (d), R.A. 8293 or the Intellectual Property Code provides the criteria for the registration of a trademark, to wit:

"Sec. 123. *Registrability.* – 123.1. A mark cannot be registered if it:

xxx

(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;

xxx"

The foregoing provision deduced that the determining factor in the registration of marks is whether the use of the competing marks in connection with the goods or business will *likely cause confusion*.

First. A side by side comparison of opposer's and respondent-applicant's respective marks are shown as follows:

Hydrite

HYDRIED

Opposer's Trademark

Respondent-Applicant's Trademark

The examination of the foregoing shows that both marks are two syllabicated words, aurally and visually identical in the first four letters "H", "Y", "D" and "R" and ending in similarly sounding "ITE" for the opposer and "IED" for the respondent-applicant. Thus, when the two marks are taken in its entirety, what appears as dominant features are the complementing and non-distinctive fonts of both trademarks and the confusingly similar sound sufficient to cause mistake to ordinary consumers, under the rule of idem sonans as held in the case of Sapolin Co. vs Balmaceda, 67 Phil. 795, that confusion is likely to arise between words which when pronounced sound alike.

In so far as the goods covered by the contending marks, it is apparent that the goods are related because they cover pharmaceutical preparations falling under Class 5 of the Nice Classification of Goods. "Goods are related when they belong to the same class or have the same class or descriptive properties; when they possess the same physical attributes or essential characters with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in grocery store. Thus, biscuits were held related to milk because they are both food products." (American Foundries vs Robertson, 269 USPO 372, 381)

As such, both products flow through the same channels of trade, therefore, confusion between the two trademarks would likely result to prospective buyers. In the case of Continental Connector Corp. vs. Continental Specialties Corp., 207 USPQ 60, the rule applied was that, the conclusion created by use of the same word as the primary element in a trademark is not counteracted by the addition of another term. By analogy, confusion cannot also be avoided by merely dropping or changing one of the letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchasers as to cause him to purchase the one supposing it to be the other. (Societe Des Produits Nestle, S.A. vs. Court of Appeals, G.R. No. 112012, April 4, 2001) An unfair competitor need not copy the entire mark to accomplish its fraudulent purposes. It is enough if he takes the one feature which the average buyer is likely to remember. (Nims, The Law of Unfair Competition and Trademarks, 4th ed., Vol. 2, pp. 678-679) Indeed, measured against the dominant-feature standard, Respondent-applicant's mark must be disallowed. For undeniably, the dominant and essential feature of the article is the trademark itself.

Moreover, it is worthy to note that the determinative factor in a contest involving registration of trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of the mark would likely cause confusion or mistake on the part of the buying public. The law does not require that the competing marks must be so identical as to produce actual error or mistake. It would be sufficient that the similarity between the two marks is such that there is possibility of the older brand mistaking the newer brand for it.

It must be emphasized that opposer's mark "HYDRITE" is a registered trademark bearing Registration No. 48151 with date of registration on 04 May 1990. Thus, opposer's protection finds basis in Section 147.1 of Republic Act No. 8293 which states in part, "The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion."

IN VIEW of all the foregoing, the instant Verified Opposition is, as it is hereby SUSTAINED. Consequently, trademark application bearing Serial No. 4-2007-011973 for the mark "HYDRIED" filed on 26 October 2007 for goods in Class 05 namely, pharmaceutical product used for the treatment of edema, control of essential hypertension, management of diabetes insipidus (DI; central and nephrogenic), management of proximal renal tubular acidosis, idiopathic and calcium nephrolithiasis, osteoporosis (reduce incidence of hip and vertebral fractures in elderly), renal hypophosphatemic rickets and exercise-induced hyperkalemia is, as it is hereby, REJECTED.

Let the file wrapper of "HYDRIED", 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, 14 April 2009.

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