L. R. IMPERIAL, INC., Opposer, **-versus-** **ZUNECA INCORPORATED,** Respondent- Applicant.	}	**IPC No. 14-2010-00035** Opposition to: Appln. Serial No. 4-2009-006958 (Filing Date: 14 July 2009) **TM: "ZYTIM"**

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 157 dated June 20, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 20, 2014.

For the Director:

Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs

L.R. IMPERIAL, INC., *Opposer,*	}	**IPC NO. 14-2010-00035** Opposition to:
-versus-	}	Application No. 4-2009-006958 (Filing Date:14 July 2009)
ZUNECA INCORPORATED, *Respondent-Applicant.*	}	Trademark: **"ZYTIM"**
x----------x	}	

Decision No. 2014- 157

DECISION

L.R. IMPERIAL, INC. ("Opposer")[1] filed an opposition to Trademark Application Serial No. 4-2009-006958. The application, filed by **ZUNECA INCORPORATED** (Respondent-Applicant)[2], covers the mark "ZYTIM", for use on "*Pharmaceutical products to reduce /increase ocular pressure*" under Class 05 of the International Classification of Goods[3].

The Opposer alleges among other things the following:

"7. The mark 'ZYTIM' owned by Respondent-Applicant so resembles the trademark 'ZYTRIM' owned by Opposer and duly registered with this Honorable Bureau prior to the publication for the opposition of the mark 'ZYTIM'.

"8. The mark 'ZYTIM' will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed mark 'ZYTIM' is applied for the same class and goods as that of Opposer's trademark 'ZYTRIM', i.e. Class 05 of the International Classification of Goods for pharmaceutical preparation.

"9. The registration of the mark 'ZYTIM' in the name of the Respondent-Applicant will violate Sec. 123 of the IP Code, which provides, in part, that a mark cannot be registered if it: x x x

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."

According to the Opposer:

"10. Opposer is the registered owner of the trademark 'ZYTRIM'.

"10.1. Opposer is engaged in the marketing and sale of a wide range of pharmaceutical products. The trademark application for the trademark 'ZYTRIM' was filed with the IPO on 9 August 2007 by Opposer and was approved for registration on 25 February 2008 to be valid for a period of ten (10) years, or until 25 February 2018. Thus, the registration of the trademark 'ZYTRIM' subsists and remains valid to date.

[1] A domestic corporation with address at 2nd Floor Bonaventure Plaza, Ortigas Avenue, Greehills, San Juan City
[2] A domestic corporation with address at 86K-6th Street, East Kamias, Quezon City
[3] The Nice Classification of Goods and Services is for registering trademarks and service marks based on 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.

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"11. The trademark 'ZYTRIM' has been extensively used in commerce in the Philippines.

"11.1. Opposer has dutifully filed a Declaration of Actual Use pursuant to the requirement of the law to maintain the registration of the trademark 'ZYTRIM' in force and effect.

"11.2. A sample product label bearing the trademark 'ZYTRIM' actually used in commerce is hereto attached.

"11.3. No less than the Intercontinental Marketing Services ('IMS') itself, the world's leading provider for business intelligence and strategic consulting services for the pharmaceutical and healthcare industries with operations in more than 100 countries, acknowledged and listed the brand 'ZYTRIM' as one of the leading brands in the Philippines in the category of '*Antiobesity EXC Dietic Market*' in terms of market share and sales performance.

"11.4. In order to legally market, distribute and sell this pharmaceutical preparation in the Philippines, Opposer registered the product with the Bureau of Food and Drugs ('BFAD').

"11.5. By virtue of the foregoing, there is no doubt that Opposer has acquired an exclusive ownership over the trademark 'ZYTRIM' to the exclusion of all others."

The Opposer's evidence consists of the following:

1. print-out of trademarks published for opposition released on 3 November 2009;
2. copy of Certificate of Registration No. 4-2007-008681 dated 25 February 2008 for the mark "ZYTRIM";
3. copy of Declaration of Actual Use dated 20 October 2008;
4. sample packaging/label of the product "ZYTRIM";
5. certification by Leo R. Yap dated 3 December 2009; and
6. copy of Certificate of Listing of Identical Drug Product.[4]

This Bureau served upon the Respondent-Applicant a "Notice to Answer" on 16 March 2010. The Respondent-Applicant, however, did not file an Answer. Thus, the Hearing Officer issued on 2 August 2012 Order No. 2012-1075 declaring the Respondent-Applicant in default.

Should the Respondent-Applicant be allowed to register the trademark ZYTIM?

Sec. 123.1(d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"),provides 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.

[4] Exhibits "A" to "F", inclusive of sub-markings

In this regard, records show that when the Respondent-Applicant filed its application on 14 July 2009, the Opposer already has an existing registration for the trademark ZYTRIM[5] issued on 25 February 2008 covering "*serotonin and noradrenalin reuptake inhibitor/anti-obesity pharmaceutical preparation*". Both ZYTRIM and ZYTIM marks cover or are used on pharmaceutical products or goods under class 5. However, ZYTIM marked or denominated pharmaceutical products or goods treats a different illness or medical condition, that is, to "*reduce/increase ocular pressure*". Nonetheless, in *Mighty Corporation and La Campana Fabrica de Tabaco, Inc. v. E. & J. Gallo Winery and the Andresons Group, Inc.*[6], the Supreme Court held:

> "In resolving whether goods are related, several factors come into play:
>
> (a) the business (and its location) to which the goods belong
> (b) the class of product to which the goods belong
> (c) the product's quality, quantity, or size, including the nature of the package, wrapper or container
> (d) the nature and cost of the articles
> (e) the descriptive properties, physical attributes or essential characteristics with reference to their form, composition, texture or quality
> (f) the purpose of the goods
> (g) whether the article is bought for immediate consumption, that is, day-to-day household items
> (h) the fields of manufacture
> (i) the conditions under which the article is usually purchased and
> (j) the channels of trade through which the goods flow, how they are distributed, marketed, displayed and sold."

But even if the pharmaceutical products or goods involved are not similar or closely related, the contested mark should not be allowed. There are three scenarios under Sec. 123.1(d) of the IP Code when the registration of a mark that "*is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date*", is proscribed. The first scenario is when the goods covered by the competing marks are related, while the second is when the goods are closely related. The third one is when the competing resembles each other as to be likely to deceive or cause confusion. These three scenarios may be cumulative or alternative as can be gleaned from the text of Sec. 123.1(d) of the IP Code.

In this regard, ZYTIM is almost identical to ZYTRIM in looks and in sound. The absence of the letter "R" in ZYTIM hardly changed the visual and aural properties attributable to ZYTRIM. The likelihood of confusion cannot be discounted because ZYTRIM is unique and highly distinctive. It is not the generic name or descriptive of the goods to which it is attached. Succinctly, the determinative factor in a contest involving trademark registration is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark will likely cause confusion or mistake on the part of the buying public. To constitute an infringement of an existing trademark, patent and warrant a denial of an application, 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[7]. Because ZYTIM is almost identical to ZYTRIM,

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[5] Exhibit "B"
[6] G.R. 154342, 14 July 2004.
[7] See *American Wire and Cable Co. v. Director of Patents et.al.* (SCRA 544) G.R. No. L-26557, 08 Jan. 1987.

the likelihood of confusion or mistake would subsist not only in respect of the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

> Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.[8]

The public interest requires that two marks, identical to or closely resembling each other, more so if, but not absolutely necessary, used on similar and/or closely related goods, and utilized by different proprietors should not be allowed to co-exist. That confusion, mistake, deception, and even fraud should be prevented is highlighted by the fact that in this instance, the goods involved pertains to medical and health concerns. It is emphasized that 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 product.[9]

WHEREFORE, premises considered, the instant Opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2009-006958 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 20 June 2014.

Atty. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs

[8] *Converse Rubber Corp. v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.
[9] *\Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.