

**REPUBLIC OF THE PHILIPPINES  
COURT OF APPEALS  
MANILA**

**EIGHTH DIVISION**

**TORRENT PHARMA PHILIPPINES,  
INC.,**

**Petitioner,**

**- versus -**

**L.R. IMPERIAL, INC.,**

**Respondent.**

**CA-G.R. SP No. 127894**

**Members:**

**LAMPAS PERALTA, F.,  
*Chairperson***

**ACOSTA, F. P., *and***

**GARCIA-FERNANDEZ, M. V., *J.J.***

**PROMULGATED:**

**November 28, 2014**

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**DECISION**

**LAMPAS PERALTA, J.:**

Before the Court is a petition for review assailing the Decision dated December 3, 2012<sup>1</sup> of the Director General, Intellectual Property Office (IPO) which dismissed petitioner's appeal from the Decision dated May 7, 2008<sup>2</sup> of the Director, Bureau of Legal Affairs (BLA), IPO rejecting petitioner's trademark application for registration of the mark "NORMOTEN" for use on anti-hypertensive medicinal preparation falling under Class 5<sup>3</sup> of the Nice Classification.

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<sup>1</sup> pp. 33-41, Rollo.

<sup>2</sup> pp. 44-53, Id.

<sup>3</sup> Nice Class Classification

x x x    x x x    x x x

**CLASS 5**

Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic food and substances adapted for medical or veterinary use, food for babies; dietary supplements for humans and animals; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.

## THE ANTECEDENTS

On June 16, 2006, petitioner Torrent Pharma Philippines, Inc., a corporation organized and existing under Philippine laws, filed with the IPO an application for registration of the trademark "NORMOTEN" (Trademark Application No. 4-2006-006394).<sup>4</sup> The application was published for opposition in the IPO Gazette on March 30, 2007.

On May 29, 2007, respondent L.R. Imperial, Inc. filed a verified opposition<sup>5</sup> against petitioner's trademark application. Respondent is a corporation organized and existing under Philippine laws, engaged in the marketing and sale of a wide range of pharmaceutical products, and the registered owner of the mark "NORTEN". Its opposition is premised on the ground that "NORMOTEN" could not be registered pursuant to Section 123, Republic Act No. 8293 (otherwise known as, the Intellectual Property Code) because there was confusing similarity between "NORMOTEN" and "NORTEN" which both pertained to anti-hypertensive medicinal preparations falling under Class 5 of Nice Classification.

On October 19, 2007, petitioner filed a verified answer<sup>6</sup> alleging, among others, that (i) the danger of confusion or deception was remote in trademark cases involving medicines as they may be dispensed only upon a doctor's prescription or sold with the intervention of a pharmacist; (ii) there were remarkable differences in the meaning, background, color, size and design between the contending trademarks; and, (iii) "NORMOTEN" and "NORTEN" sounded differently.

Preliminary Conferences were held on November 27, 2007, January 28, 2008 and March 25, 2008.<sup>7</sup> Respondent submitted the following pieces of evidence in support of its opposition: (i) list of trademarks published for opposition; (ii) certificate of registration for NORTEN; (iii) declaration of actual use; (iv) product label for

<sup>4</sup> pp. 61-62, Rollo.

<sup>5</sup> pp. 69-76, Id.

<sup>6</sup> pp. 77-90, Id.

<sup>7</sup> p. 6, Id.

NORTEN; (v) affidavit dated 29 May 2007 by a certain Lyle Morrell; and, (vi) certificate of product registration.<sup>8</sup> On the other hand, petitioner's evidence consisted of the following: (i) product label for NORMOTEN; (ii) product label for NORTEN; (iii) affidavit dated October 18, 2007 executed by a certain Maddali Srinivas Chakravarthy; (iv) agreement for registration of products dated February 4, 1998; (v) certificate of brand name clearance for NORMOTEN; (vi) trademark application No. 4-2006-006394 for NORMOTEN; (vii) declaration of actual use; (viii) notice of allowance; and, (ix) certificate of product registration for NORMOTEN.<sup>9</sup>

On May 7, 2008, the Director, BLA-IPO rendered a Decision rejecting petitioner's trademark application on the ground that petitioner's mark "NORMOTEN" and respondent's mark "NORTEN" were confusingly similar as both marks (i) were written in almost the same style of lettering; (ii) pertained to the same classification of goods / merchandise; and, (iii) had aural similarities which produced the same cadence when pronounced.<sup>10</sup>

On June 18, 2008, petitioner filed a motion for reconsideration<sup>11</sup> but the same was denied in a Resolution dated June 2, 2010<sup>12</sup> of the Director, BLA-IPO.

On June 17, 2010, petitioner filed with the Office of the Director General, IPO an appeal from the Decision dated May 7, 2008 of the Director, BLA-IPO, alleging error on the part of the Director, BLA-IPO (i) in ignoring the doctrine laid down in ***Ethepa A.G. v. Director of Patents***<sup>13</sup> that the danger of confusion is remote in trademark cases involving prescription drugs; (ii) in declaring that the competing marks were confusingly similar in composition of letters and in pronunciation; and, (iii) in applying the dominance test.<sup>14</sup>

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<sup>8</sup> p. 34, Id.

<sup>9</sup> p. 37, Id.

<sup>10</sup> pp. 44-53, Id.

<sup>11</sup> pp. 110-123, Id.

<sup>12</sup> pp. 56-58, Id.

<sup>13</sup> G.R. No. L-20635, March 31, 1966, 16 SCRA 495.

<sup>14</sup> pp. 124-140, Id.

In a Decision dated December 3, 2012, the Director General, IPO denied petitioner's appeal, holding that "NORMOTEN" and "NORTEN" were obviously similar in their composition, visual representation and sound of the words, that the dominant features in the two trademarks would give the impression that the two products were related and came from the same source, especially that they were used on similar goods, and that the differences between said marks were not distinctive enough to distinguish "NORMOTEN" from "NORTEN". The dispositive portion of the Decision reads:

"WHEREFORE, premises considered, the instant appeal is hereby DISMISSED. Let a copy of this Decision be furnished to the Director of the Bureau of Legal Affairs, the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology transfer Bureau for information, guidance, and records purposes.

SO ORDERED."<sup>15</sup>

Hence, petitioner filed the present petition ascribing the following errors allegedly committed by the Director, IPO:

I.

The Director General seriously and manifestly erred when he declared that the Petitioner's mark "NORMOTEN" and the respondent's mark "Norten" are identical or confusingly similar.

II.

The Director General seriously and manifestly erred when he declared that the Petitioner's mark "NORMOTEN" indicates a connection with the Respondent's mark "Norten".

III.

The Director General seriously and manifestly erred when he declared that the likelihood of confusion in Trademarks of Medicine and Pharmaceutical Products is NOT Remote.<sup>16</sup>

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<sup>15</sup> pp. 41, Id.

<sup>16</sup> p. 9, Id.

## ISSUE

Whether the Director General, IPO erred in dismissing petitioner's appeal and in holding that petitioner's mark "NORMOTEN" was confusingly similar with respondent's mark "NORTEN" because of obvious resemblance in their composition, visual representation and sound of the words.

## THE COURT'S RULING

To be sure, both the Director General, IPO and the Director, BLA-IPO are unanimous in holding that petitioner's mark "NORMOTEN" and respondent's mark "NORTEN" were confusingly similar as to their appearance and sound. The Director, IPO held that the difference between the contending marks was insignificant since both marks were used for the same class of goods (anti-hypertensive medicinal preparations). As enunciated by the Director General, IPO in his Decision dated December 3, 2012:

"A scrutiny of these marks shows that NORMOTEN and NORTEN are word marks and that NORMOTEN contains all the letters in NORTEN. Moreover, both marks have the first and last syllables, "NOR" and "TEN". There is, therefore, an obvious similarity in these two marks in the composition, visual representation and sound of the words. While the Appellant's mark has a second syllable composed of the letter "M" and "O", this difference is not distinctive enough to distinguish NORMOTEN from NORTEN, especially if they are to be used on similar goods. x x x

x x x      x x x      x x x

Therefore, the dominant features in the two trademarks would give the impression that the two products are related and from the same source. In a contest involving registration of trademarks, the determinative factor 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. Section 123.1 (d) of the IP Code establishes this principle when it states that in

determining confusing similarity a likelihood of confusion is the only requirement.

In this instance, it must be emphasized that the Appellant's products are similar with the Appellee which refers to antihypertensive medicinal preparations. To allow the registration of NORMOTEN would likely mislead the public to believe that the manufacturer of the medicines for antibiotics bearing the mark NORMOTEN and NORTEN are one and the same. The public may be mistaken that one is just a variation of the other which both came from the same manufacturer resulting to the damage of the Appellee who is the originator of the mark NORTEN. The risk of damage is not limited to a possible confusion of goods but also includes confusion of refutation if the public could reasonably assume that the goods of the parties originated from the same source. This is precisely, the reason why trademarks are very important and that before a trademark is allowed registration, it must be shown to be distinct and should be proven that there would not be a likelihood of confusion to the purchasing public.

Significantly, the Appellant and the Appellee are members of the pharmaceutical industry. It is not farfetched that the Appellant knew of the Appellee's products which have been in the market since 1998 and which has been used by the Appellee much earlier than the Appellant's. The Appellant secured a brand name clearance for NORMOTEN only in 2004 and filed the instant trademark application only in 2006. x x x

x x x      x x x      x x x

Accordingly, the Appellant should have explained how it arrived in using NORMOTEN which contains all the letters used in NORTEN. The Appellant has in its disposal "millions of terms and combination of letters and designs available" to use for its anti-hypertensive medical preparation. The Appellant, however, failed to explain to this Office why it decided to use NORMOTEN which would invite likelihood of confusion with NORTEN."<sup>17</sup>

The petition is bereft of merit.

Section 123.1(d), RA No. 8293 provides that a mark cannot be

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<sup>17</sup> pp. 39-41, Id.

registered if it is identical with a registered mark belonging to a different proprietor with an earlier filing or priority date, with respect to the same or closely related goods or services, or has a near resemblance to such mark as to likely deceive or cause confusion. Thus:

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;

There are two tests to determine likelihood of confusion: (i) the dominance test and (ii) the holistic test. The dominance test focuses on the resemblance of the dominant features of the competing marks giving more consideration to the aural and visual impressions created by the mark on the buyer than the prices, quality, sales outlets, and market segments. On the other hand, holistic or totality considers the entirety of the marks, including labels and packaging, and focuses not only on the predominant words but also on the other features appearing in the label in determining confusing similarity. The distinction between these two concepts was discussed in **Prosource International, Inc. v. Horphag Research Management SA**<sup>18</sup>, thus:

“The Dominance Test focuses on the similarity of the prevalent features of the competing trademarks that might cause

<sup>18</sup> G.R. No. 180073, 605 SCRA 523, November 25, 2009.

confusion and deception, thus constituting infringement. If the competing trademark contains the main, essential and dominant features of another, and confusion or deception is likely to result, infringement takes place. Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate. The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or to deceive purchasers. Courts will consider more the aural and visual impressions created by the marks in the public mind, giving little weight to factors like prices, quality, sales outlets, and market segments.

In contrast, the Holistic Test entails a consideration of the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing on both labels in order that the observer may draw his conclusion whether one is confusingly similar to the other.”

There is no hard and fast rule as to what test or standard should be applied to a particular case to determine the existence of likelihood of confusion. Each case must be decided on its merits and jurisprudential precedents must be studied in the light of the facts of each particular case, and should be applied only to a case if they are specifically in point.<sup>19</sup> Usually, what must be taken into account in infringement cases are signs, color, design, peculiar shape or name, or some special, easily remembered earmarks of the brand that readily attracts and catches the attention of the ordinary consumer.<sup>20</sup>

However, in **Societe Des Produits Nestle, SA v. Court of Appeals**<sup>21</sup>, the Supreme Court expressed preference to the dominancy test over the totality or holistic test. Thus:

“[T]he totality or holistic test is contrary to the elementary postulate of the law on trademarks and unfair competition that

<sup>19</sup> McDonald's Corporation vs. Macjoy Fastfood Corporation, G.R. No. 166115, 514 SCRA 95, February 2, 2007

<sup>20</sup> Dermaline, Inc. vs. Myra Pharmaceuticals, Inc., G.R. No. 190065, 628 SCRA 356, August 16, 2010,

<sup>21</sup> G.R. No. 112012, 356 SCRA 207, April 4, 2001.



confusing similarity is to be determined on the basis of visual, aural, connotative comparisons and overall impressions engendered by the marks in controversy as they are encountered in the realities of the marketplace. The totality or holistic test only relies on visual comparison between two trademarks whereas the dominance test relies not only on the visual but also on the aural and connotative comparisons and overall impressions between the two trademarks.”

The application of the dominance test was reiterated in **Societe Des Produits Nestle, S.A v. Dy, Jr.**<sup>22</sup>, **Prosource International, Inc. v. Horphag Research Management SA**<sup>23</sup>, **McDonald's Corporation v. MacJoy Fastfood Corporation**<sup>24</sup>, **Berris Agricultural Co., Inc. v. Abyadang**<sup>25</sup>, **McDonald's Corporation v. L.C. Big Mak Burger, Inc.**<sup>26</sup> among the more recent cases.

Petitioner asseverates that the holistic test is more appropriate in the instant case since the products involved are expensive and uncommon, citing in support thereof **Bristol Myers Company v. The Director of Patents**<sup>27</sup>, **Mead Johnson and Company v. N.V.J. Van Dorp, Ltd.**<sup>28</sup> and **American Cyanamid Company v. The Director of Patents**<sup>29</sup>.

A reading of the cases cited by petitioner readily shows that their factual circumstances are not on all fours with the instant case. All these cases were decided long before the enactment of RA 8293 on June 6, 1997, or before the dominance test was incorporated into the said law.

In **Bristol Myers Company v. The Director of Patents**, while the contending marks BIOFERIN and BUFFERIN were both used for treatment of headaches and colds, one was a capsule while the other was a tablet. In addition, one was dispensable only upon doctor's

<sup>22</sup> G.R. No. 172276, 627 SCRA 223, August 9, 2010.

<sup>23</sup> G.R. No. 180073, 605 SCRA 523, November 25, 2009.

<sup>24</sup> G.R. No. 166115, 514 SCRA 95, February 2, 2007.

<sup>25</sup> G.R. No. 183404, 633 SCRA 196, October 13, 2010.

<sup>26</sup> G.R. No. 143993, 437 SCRA 10, August 18, 2004.

<sup>27</sup> G.R. No. L-21587, 17 SCRA 128, May 19, 1966.

<sup>28</sup> G.R. No. L-17501, 7 SCRA 768, April 27, 1963.

<sup>29</sup> G.R. No. L-23954, 76 SCRA 568, April 29, 1977.

prescription, while the other may be purchased over-the-counter. In the instant case, both “NORMOTEN” and “NORTEN” are in tablet form and could only be dispensed upon a doctor's prescription.

In **Mead Johnson and Company v. N.V.J. Van Dorp, Ltd.**, ALACTA which was a pharmaceutical product falling under Class 6 of the official classification of Medicines and Pharmaceutical Preparations to be used as prescribed by physicians, was held not confusingly similar with ALASKA which was a food product falling under Class 47, and required no medical prescription. In the instant case, both “NORMOTEN” and “NORTEN” pertain to pharmaceutical medical preparations under Class 5 and both require medical prescription.

On the other hand, in **American Cyanamid Company v. The Director of Patents**, while the contending marks SULMET and SULMETINE were both products for medicinal veterinary, SULMET's label indicated that it is used in a drinking water solution while that of SULMETINE indicated that they are tablets. In the instant case, both “NORMOTEN” and “NORTEN” are in tablet form.

It is noteworthy that the dominance test is not only based on jurisprudence, but the same is now an explicit legal provision under Section 155.1<sup>30</sup>, RA 8293 which defines infringement as the "colorable imitation of a registered mark x x x or a *dominant feature* thereof.<sup>31</sup> Applying the dominance test in the instant case, it would show that “NORMOTEN” and “NORTEN” have the same classification, descriptive properties and physical attributes. Both are classified under Class 5, both are medicinal products for hypertension, and both are in tablet form. “NORMOTEN” and “NORTEN” begins and ends with exactly the same syllables. Needless to state, “NORMOTEN” contains all the letters in

<sup>30</sup> 155.1. Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a dominant feature thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive;

<sup>31</sup> Societe Des Produits Nestle, S.A. vs. Dy, Jr., G.R. No. 172276, 627 SCRA 223, August 9, 2010.

“NORTEN”, their only difference is the insertion of letters “M” and “O” in “NORMOTEN”.

The Court agrees with the findings of the Director, BLA-IPO, which were affirmed by the Director General, IPO, that when “NORMOTEN” and “NORTEN” are pronounced, the aural effect is confusingly similar. As correctly observed by the Director, BLA-IPO:

“In the instant case, this Bureau agrees with Opposer's opinion on the confusing similarity between the contending marks considering that both marks are written in almost the same style of lettering, begin with the same 3 letters, “N”, “O” & “R” and ends with the same letters “T”, “E” and “N”. The last syllable of opposer's TEN and respondent-appellant's TEN are photographically identical and produces the same aural effect. The aural similarities between the marks are patently obvious producing the same cadence when pronounced.”

Notably, in this jurisdiction, the aural effect of certain letters contained in the marks has been taken into account in determining the issue of confusing similarity.<sup>32</sup> Among the words held confusingly similar in sound in the matter of trademarks are “NAN” and “NANNY”<sup>33</sup>; “Big Mak” and “Big Mac”<sup>34</sup>; PCO-GENOLS and PYCNOGENOL<sup>35</sup>; “Celdura” and “Cordura”<sup>36</sup>; “Lusolin” and “Sapolin”<sup>37</sup>, and “Salonpas” and “Lionpas”<sup>38</sup>.

Petitioner cites dissimilarities between “NORMOTEN” and “NORTEN” in the number of letters and syllables, backgrounds, color, size and design between the contending trademarks. This is inconsequential as absolute identity is not required to sustain an infringement case. “What matters is the close relationship of the

<sup>32</sup> Id.

<sup>33</sup> Id.

<sup>34</sup> McDonald's Corporation vs. L.C. Big Mak Burger, Inc., G.R. No. 143993, 437 SCRA 10, August 18, 2004,

<sup>35</sup> Prosource International, Inc. vs. Horphag Research Management SA, G.R. No. 180073, 605 SCRA 523, November 25, 2009.

<sup>36</sup> Co Tiong v. Director of Patents, 95 Phil. 1 (1954)

<sup>37</sup> Sapolin Company, Inc. vs. Balmaceda, G.R. No. 45502, 67 Phil. 795, May 2, 1939.

<sup>38</sup> Marvex Commercial Company, Inc. vs. Petra Hawpia & Company, G.R. No. L-19297, 18 SCRA 1178, December 22, 1966.

competing products name in sounds as they were pronounced, x x x (as) purchasers could be misled into believing that they are the same and/or originates from a common source and manufacturer.”<sup>39</sup> As held in **Skechers, U.S.A., Inc. vs. Inter Pacific Industrial Trading Corp.**:

“[D]efendants in cases of infringement do not normally copy but only make colorable changes. The most successful form of copying is to employ enough points of similarity to confuse the public, with enough points of difference to confuse the courts.”<sup>40</sup>

Anent petitioner's assertion that the likelihood of confusion is remote in medicines which are dispensed only upon prescription or sold with the intervention of a pharmacist as held in **Etepha, A.G. v. Director of Patents**<sup>41</sup>, it suffices to state that actual confusion is not required in trademark cases, as it is enough that confusion is probable or likely to occur.<sup>42</sup> Besides, the likelihood of confusion is higher in cases where the business of one corporation is the same or substantially the same as that of another corporation.<sup>43</sup> There is no denying the fact that both “NORMOTEN” and “NORTEN” are products intended for treatment of hypertension. The Director General, IPO's pronouncement on this point is well-taken:

“The Appellant maintains that the likelihood of confusion is remote in the case of medicines which are dispensed only upon prescription or sold with the intervention of a pharmacist. The Appellant's position is not meritorious.

In alleging in this case that the likelihood of confusion is remote, the Appellant has the burden to show evidence to prove this allegation. However, there was no evidence presented by the Appellant on this matter. The allegation by the Appellant that the likelihood of confusion is remote cannot prevail over the

<sup>39</sup> Prosource International, Inc. vs. Horphag Research Management SA, supra.

<sup>40</sup> G.R. No. 164321, 646 SCRA 448, March 23, 2011.

<sup>41</sup> G.R. No. L-20635, 16 SCRA 495, March 31, 1966.

<sup>42</sup> Industrial Refractories Corporation of the Philippines vs. Court of Appeals, G.R. No. 122174, 390 SCRA 252, October 3, 2002.

<sup>43</sup> Coffee Partners, Inc. vs. San Francisco Coffee & Roastery, Inc., G.R. No. 169504, 614 SCRA 113, March 3, 2010.

circumstances of this case that show the similarity of the Appellant's and Appellee's products and the existence of the Appellee's products bearing the mark NORTEN for several years prior to the Appellant's filing of NORMOTEN.

On the other hand, the Appellant and the Appellee are business competitors and the latter's introduction of similar products bearing the mark NORMOTEN would cause a likelihood of confusion to the buying public who are accustomed to buying NORTEN products. In addition, as the registered owner of NORTEN, the Appellee is entitled to the exclusive right to use it and to prevent other persons from using a trademark that resembles its mark as to be likely to deceive or cause confusion.

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services. The trademark registration system should not be used to perpetuate any acts that would undermine the intellectual property system. A person must not be allowed to get a free ride on the reputation and selling power of the products of another, for a self-respecting person or reputable business concern does not remain in the shelter of another's popularity and goodwill.”<sup>44</sup>

Then again, squarely applicable is the settled rule that in “matters involving trademark cases, administrative agencies, such as the IPO, by reason of their special knowledge and expertise over matters falling under their jurisdiction, are in a better position to pass judgment thereon. Thus, their findings of fact in that regard are generally accorded great respect, if not finality by the courts, as long as they are supported by substantial evidence, even if such evidence might not be overwhelming or even preponderant. It is not the task of the appellate court to weigh once more the evidence submitted before the administrative body and to substitute its own judgment for that of the administrative agency in respect to sufficiency of evidence.”<sup>45</sup>

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<sup>44</sup> pp. 40-41, Rollo.

<sup>45</sup> Berris Agricultural Company, Inc. vs. Abyadang, supra.

**WHEREFORE**, the present petition for review is **DISMISSED** for lack of merit. Accordingly, the assailed Decision dated December 3, 2012 of the Director General, Intellectual Property Office is affirmed.

**SO ORDERED.**

**FERNANDA LAMPAS PERALTA**  
Associate Justice

**WE CONCUR:**

**FRANCISCO P. ACOSTA**  
Associate Justice

**MYRA V. GARCIA-FERNANDEZ**  
Associate Justice

## **CERTIFICATION**

Pursuant to Article VIII , Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

**FERNANDA LAMPAS PERALTA**  
Associate Justice  
Chairperson, Eighth Division