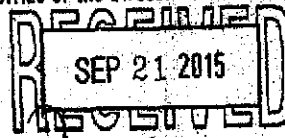


REPUBLIC OF THE PHILIPPINES
COURT OF APPEALS
MANILA

Intellectual Property Office of the Phils.
Office of the Director General-Legal



BY: *[Signature]* TIME: _____

UNITED AMERICAN
PHARMACEUTICALS, INC.,
Petitioner,

-versus -

CA-G.R. SP. NO. 135288

YSS LABORATORIES, INC.,
Respondent.

August 26, 2015

NOTICE OF DECISION

S I R :

Please take notice that on August 26, 2015 a DECISION copy hereto attached was rendered by the THIRTEENTH (13th) DIVISION of the Court of Appeals, the original copy of which is on file with this office.

You are hereby DIRECTED to INFORM this Court within five (5) days from notice hereof, the date when you received this Decision.

Very truly yours,

[Signature]
ABIGAIL S. DOMINGO-LAYLO
Division Clerk of Court

COPY FURNISHED:

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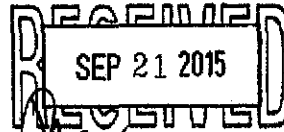
THE DIRECTOR - reg.
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[Handwritten mark]



Republic of the Philippines
Court of Appeals
 Manila

Intellectual Property Office of the Phils.
 Office of the Director General-Legal



BY: _____ TIME: _____

THIRTEENTH DIVISION

**UNITED AMERICAN
 PHARMACEUTICALS, INC.,**
Petitioner,

CA-G.R. SP No. 135288

Members:

- versus -

**PIZARRO, N.B., Chairperson,
 GAERLAN, S.H., and
 QUIJANO-PADILLA, M.L.C., JJ.:**

YSS LABORATORIES, INC.,
Respondent.

Promulgated:

26 AUG 2015

At 10:50am

x-----x

DECISION

QUIJANO-PADILLA, J.:

This petition for review under Rule 43 of the Rules of Court filed by petitioner United American Pharmaceuticals, Inc. prays for the reversal of the Decision dated April 22, 2014¹ of the Office of the Director General, Intellectual Property Office (ODG-IPO) in Appeal No. 14-2012-0003 affirming the Decision dated January 26, 2012² issued by the Director of the Bureau of Legal Affairs, which dismissed petitioner's Opposition to the respondent's application for registration of the mark "Alergin", under Trademark Application No. 4-2009-007469.

THE FACTUAL ANTECEDENTS

Petitioner United American Pharmaceuticals, Inc. is engaged in the business of the marketing and sale of pharmaceutical products, including the medicine bearing its registered trademark

¹ *Rollo, pp. 42-46.*

² *Id. at pp. 47-54.*

ALLERIN which is extensively sold by petitioner in the Philippine market. Because of its undisputed subsisting registration of the trademark ALLERIN since the year 1971, petitioner claims that it has acquired and established an exclusive and prior right for the use of the trademark ALLERIN. Thus, upon learning of respondent's application for registration of the trademark ALERGIN, sought to be used in the same "antihistaminic preparation" under Class 05 petitioner filed an Opposition to said registration.

On January 26, 2012, the Director of the Bureau of Legal Affairs of the Intellectual Property Office (IPO), issued a Decision³, the pertinent portion of which reads:

WHEREFORE, premises considered the instant opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2009-007469 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Aggrieved by said ruling, petitioner brought the matter before the Office of the Director General, Intellectual Property Office (ODG-IPO), which subsequently rendered the assailed Decision dated April 22, 2014⁴, dismissing petitioner's appeal, thus affirming the judgment of the Director of the Bureau of Legal Affairs.

Petitioner now comes to this Court via a petition for review under Rule 43 of the Rules of Court, raising the following issues:

WHETHER OR NOT THE ODG-IPO COMMITTED SERIOUS AND REVERSIBLE ERRORS OF FACT AND LAW IN RULING THAT THERE IS NO CONFUSING SIMILARITY BETWEEN PETITIONER'S TRADEMARK "ALLERIN" AND RESPONDENT'S MARK "ALERGIN".

WHETHER OR NOT THE ODG-IPO COMMITTED SERIOUS AND REVERSIBLE ERRORS OF FACT AND LAW IN GIVING DUE COURSE TO RESPONDENT'S APPLICATION FOR REGISTRATION OF THE MARK "ALERGIN".⁵

³ *Id.* at p. 54.

⁴ *See Note 1.*

⁵ *Rollo*, p. 22

RULING:

When we open a bottle of medicine and consume its contents, we connect ourselves to forces far beyond us. Pharmaceuticals are the product of highly complex scientific and technological networks, and the organization of expert knowledge and practice, and the efforts of countless men and women who go about their daily work researching, manufacturing, and distributing these powerful substances. They are also, of course, the vehicle for generating immense profits for those who make and sell them. As such, pharmaceuticals can be understood as congealed moments of massively complex systems dedicated to both the promotion of health and the accumulation of economic value. When we take our pills we hope – sometimes desperately – that they will do their job and help us. Whether or not they do, simply because we have purchased them, they have already fulfilled their other function.⁶

In the pursuit of either or both of these objectives, herein petitioner seeks to protect its interest in the trademark ALLERIN, mainly contending that the Office of the Director General, Intellectual Property Office (ODG-IPO) erred when it ruled in favor of private respondent and allowed the registration of the mark ALERGIN⁷ in this wise:

As can be gleaned above, the competing marks are both word marks which have the same first two letters, "A" and "L", and the last two letters "I" and "N". However, these similarities are not sufficient for this Office to rule that ALERGIN is confusingly similar with ALLERIN.

The Appellant is not disputing that ALERGIN covers pharmaceutical products that are to be dispensed only upon presentation by (sic) a doctor's prescription. In this regard, it is not likely that a person who intends to buy the Appellant's products bearing the mark ALLERIN will be given the Appellee's product for ALERGIN. Similarly, it is unlikely that a person who was given a prescription for ALERGIN would be given ALLERIN. There is, therefore, no likelihood of confusion that ALERGIN would be mistaken as ALLERIN or vice versa.

⁶ Gabriel, Joseph, M.; *Medical Monopoly: Intellectual Property Rights and the Origins of the Modern Pharmaceutical Industry (Synthesis)*. 2014, Introduction.

⁷ See Note 1, at pp. 44-45.

As correctly pointed out by the Director:

The foregoing facts notwithstanding, this Bureau finds the competing marks not confusingly similar. While the first four letters of the Respondent-Applicant's mark ("ALER") are similar to the first five letters of the Opposer's mark ("ALLER") and that both marks end with the letters "l" and "N", confusion or deception is unlikely. Consumers can readily distinguish one mark from the other. This is because the presence of the letter "G" in Respondent-Applicant's mark has rendered it a visual and aural character that sets it apart from the Opposer's. This Bureau noted that the pharmaceutical product covered by the Respondent-Applicant's application may be dispensed only through doctor's prescription. It is very remote for a pharmacist or sales clerk to commit mistake in reading the prescription. The outward and bulging curves of the capital letter "G", as well as the curves and downward "tail" of the letter if written or printed in lower case, are prominent features that immediately catch or draw one's eyes. These features are lacking in the Opposer's mark. Also, due to the presence of the letter "G", pronouncing the Respondent-Applicant's mark produces a sound that is distinct from the sound created when the Opposer's mark is pronounced. The syllabication, for one, are different - "AL-LE-RIN" as compared to "A-LER-GIN".

As early as 1966, the Supreme Court in *Etepha A.G. vs. Director of Patents*⁸, recognized the fact that in branding their products, it is common for pharmaceutical companies to:

x x x 'fabricate' marks by using syllables or words suggestive of the ailments for which they are intended and adding thereto distinctively prefixes or suffixes". And appropriately to be considered now is the fact that, concededly, the "tussin" (in Pertussin and Atussin) was derived from the Latin root word "tussis" meaning cough.

"Tussin" is merely descriptive; it is generic; it furnishes to the buyer no indication of the origin of the goods; it is open for appropriation by anyone. It is accordingly barred from registration as trademark. With jurisprudence holding the line, we feel safe in making the statement that any other conclusion would result in "appellant having practically a monopoly" of the word "tussin" in a trademark.

While "tussin" by itself cannot thus be used exclusively to identify one's goods, it may properly become the subject of a trademark "by combination with another word or phrase" And this union of words is reflected in petitioner's Pertussin and

⁸ G.R. No. 1-20635, March 31, 1966.

respondent's Atussin, the first with prefix "Per" and the second with prefix "A". (*Emphasis supplied; Citations omitted*)

In the case of ALLERIN and ALERGIN, both petitioner and respondent made use of "ALLER" and "ALER" - particularly suggesting that their pharmaceutical products are remedies for the common allergies of cough and cold, hence, were properly described as "*antihistaminic preparation*" under Class 05.

With this and considering that the double "LL" on ALLERIN and the single "L" on ALERGIN do not have a significant effect how they sound when read or on how they appear on the labels at quick glance, what is material to determine now is the use of "GIN" in ALERGIN, which petitioner insists makes said mark confusingly similar with its trademark ALLERIN.

We note that the assailed decision capitalized on the letter "G" appearing on respondent's mark ALERGIN, and regarded this letter as a prominent feature which sets it apart, both visually and when verbally communicated, from petitioner's trademark ALLERIN.

We hold otherwise.

In allowing the simultaneous registration of the brandnames *Pertussin and Atussin*, the Supreme Court in the *Etepha A.G.* case cited above, expounded on the respective appearance of the labels and the lack of phonetic similarity between the two brands:⁹

Considering the two labels in question — Pertussin and Atussin — as they appear on the respective labels, these words are presented to the public in **different styles of writing and methods of design**. The horizontal plain, block letters of Atussin and the diagonally and artistically upward writing of Pertussin leave distinct visual impressions. One look is enough to denude the mind of that illuminating similarity so essential for a trademark infringement case to prosper. Moreover, **the two words do not sound alike — when pronounced**. There is not as much as phonetic similarity between the two. In Pertussin the pronunciation of the prefix "Per", whether correct or incorrect, includes a combination of three letters P, e and r; whereas, in Atussin the whole word starts with the single letter A added to the suffix "tussin". **Appeals to the ear are dissimilar. And this, because in a word-combination, the part that comes first is the**

⁹ *Ibid.*

most pronounced. (*Emphasis supplied*)

Guided by the same considerations, this Court rules that when compared side by side, the subject *antihistaminic preparations*, ALLERIN and ALERGIN,¹⁰ are in fact confusingly similar.

Contrary to the ODG-IPO's observation, the outward and bulging curves of the capital letter "G" as it appears on the label of ALERGIN, does not leave any distinctive imprint. The reason for this is that petitioner's ALLERIN and respondent's ALERGIN were both printed using the same style of writing – horizontal, plain and all in uppercase letters.

Following the "dominancy test" consistently used in resolving infringement of trademark cases,¹¹ we also agree with petitioner that:

"42.1. *First*, Respondent's mark "ALERGIN" appears and sounds almost the same as Petitioner's trademark "ALLERIN".

42.2. *Second*, the first four (4) and last two (2) letter's of Respondent's mark "A-L-E-R-G-I-N" and the first two (2), fourth to fifth and last two (2) letters of Petitioner's trademark "A-L-L-E-R-I-N" (are similar).

42.3. *Third*, both marks are composed of seven (7) letters.

42.4. *Fourth*, both marks are composed of 3 syllables, i.e., Respondent's mark A/LE/R/GIN and Petitioner's trademark AL/LE/RIN.¹²

Evidently, in addition to the visual similarities of the product labels, there is an unsettling phonetic similarity between these two brand names.

In the assailed Decision, the ODG-IPO also ruled that a person who would buy respondent's product would not do so on the mistaken belief that the product is that of the petitioner's. The buyer would allegedly purchase respondent's product because it is the very product he or she intends to buy and that:

¹⁰ *Rollo*, p. 101, *Artist's rendition of the labels for the products*.

¹¹ *McDonald's Corporation v. MacJoy Fastfood Corporation*, 514 SCRA 95.

¹² *Id.* at pp. 26-27.

In one case decided by the Supreme Court of the Philippines, it was held that the ordinary purchaser must be thought of, as having, and credited with, at least a modicum of intelligence.¹³ Furthermore, the products of the parties are not the everyday common goods or household items bought at a minimal cost. The nature and cost of the goods of the parties require a prospective buyer to be more aware and cautious in the purchase of the product.¹⁴

We do not agree.

While it is true that the products subject of this Petition are not the everyday household products which are ordinarily displayed on store shelves and easily accessible to the consumers, still, these are medicines containing unfamiliar substances, which claim to relieve the all too common allergies of cough and colds. To segregate then the buying public into the learned and affluent, on one hand and the unlettered and needy, on the other, in cases concerning health care, is simply disturbing.

Although the dispensation of both ALLERIN and ALERGIN admittedly require a doctor's prescription, which supposedly lessens the "margin of error in the acquisition of one for the other"¹⁵ - this scenario is inarguably more ideal than real.

As correctly pointed out by petitioner, there is more likelihood of confusion since both products fall under the same class of goods: Class 5 of the International Classification of Goods as antihistamines. Furthermore, it is not remote that:

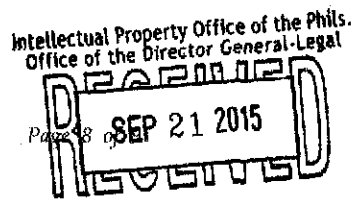
"60.2. Significantly, in *Pfizer vs. United American Pharmaceuticals, Inc.* (IPC. No. 14-2008-00179, p. 14), the BLA-IPO, took notice of the case of *Mercury Drug Corporation vs. Baking*, (523 SCRA 184 [2007]), wherein Baking, was sold Dormicum, a potent sleeping tablet, instead of Diamicrom, thus, "[i]t appears then, that it was not only the sales representative who mistook one drug as the other drug but even the purchaser himself committed the same error, notwithstanding the existence of prescription."
xxx

60.3 Concomitantly, the fact that the handwritings of

¹³ See Note 1, at p. 45, citing *Fruit of the Loom, Inc. v. Court of Appeals, G.R. No. L-32747, November 29, 1984.*

¹⁴ *Id.*

¹⁵ See Note 1, at p. 45, citing *Etepha A.G. vs. Director of Patents, G.R. No. L-20635, March 31, 1966.*



BY: _____ TIME: _____

doctors are most of the time ine[]ligible, which this Honorable Court may take judicial notice, the likelihood of confusion is not improbable. Not to be discounted also is the fact that it is not always that a licensed pharmacist who dispenses medicines at the drugtores but a pharmacy assistant only."¹⁶

Therefore, We rule that the mark ALERGIN of respondent is indeed identical, as it nearly resembles the registered trademark ALLERIN belonging to petitioner, especially seeing that the mark is to be used for the same class of goods. Hence, the registration sought by respondent for its mark ALERGIN should be disallowed as it is likely to deceive the consuming public or cause confusion, at the very least.

In this modern age, this Court believes that the promotion of public health and the freedom of choice, unhampered by the fancy, albeit confusing names coined by pharmaceutical companies - are far more important considerations than preventing a perceived economic monopoly on goods or products.

WHEREFORE, finding merit on the grounds stated by petitioner, the present Petition is **GRANTED**.

Accordingly, the Decision dated April 22, 2014 of the Office of the Director General, Intellectual Property Office (ODG-IPO) in Appeal No. 14-2012-0003 is hereby **REVERSED** and **SET ASIDE**.

The respondent's application for registration of the mark "ALERGIN" under Trademark Application No. 4-2009-007469 is **DISMISSED**.

SO ORDERED.

ORIGINAL SIGNED
MA. LUISA C. QUIJANO-PADILLA
Associate Justice

CERTIFIED TRUE COPY


ABIGAIL B. DOMINGO-LAYLO

Abigail B. Domingo-Laylo
9/21/15

WE CONCUR:

ORIGINAL SIGNED
NORMANDIE B. PIZARRO
Associate Justice

ORIGINAL SIGNED
SAMUEL H. GAERLAN
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.

ORIGINAL SIGNED
NORMANDIE B. PIZARRO
Chairperson, Thirteenth Division

CERTIFIED TRUE COPY


ABIGAIL B. DOMINGO-LAYLO
Serving Clerk of Court