L.R. IMPERIAL, INC., Opposer, **-versus-** **EMBIL INTERNATIONAL PHIL., INC.,** Respondent- Applicant.	}	**IPC No. 14-2013-00192** Opposition to: Appln. Serial No.4-2012-010466 Date Filed: 29 August 2012 **TM: "TIOZONE"**

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 155 dated May 31, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 31, 2016.

For the Director:

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

L.R. IMPERIAL, INC.,
Opposer,

-versus-

EMBIL INTERNATIONAL PHIL., INC.
Respondent-Applicant.

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IPC No. 14-2013-00192
Opposition to Trademark
Application No. 4-2012-010466
Date Filed: 29 August 2012

Trademark: **"TIOZONE"**

Decision No. 2016-155

DECISION

L.R. Imperial, Inc.[1] ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-010466. The contested application, filed by Embil International Philippines, Inc.[2] ("Respondent-Applicant"), covers the mark "TIOZONE" for use on *"pharmaceutical product for treatment of superficial fungal skin infections accompanied with inflamed and eczematous reactions in cream form"* under Class 05 of the International Classification of Goods[3].

The Opposer anchors its opposition on Section 123.1 (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines (IP Code). It claims to be the owner of the mark "PIOZONE", registered under Certificate of Registration No. 4-2007-008680 issued on 25 February 2008. It contends that "PIOZONE" and "TIOZONE" appear and sound almost the same.

According to the Opposer, the International Marketing Services ("IMS") acknowledged and listed "PIOZONE" as the leading brand in the Philippines for "A-10K – Glitazone AntiDiabetics Market" in terms of market share and brand performance. In order to legally market, distribute and sell the same, it registered the product with the Food and Drug Administration ("FDA"). In support its Opposition, the Opposer submitted the following as evidence:[4]

1. the pertinent page of the IPO E-Gazette publishing the Respondent-Applicant's mark;
2. certified true copy of Trademark Registration No. 4-2007-008680;
3. certified true copies of the Declarations of Use and Affidavit of Use ("DAU");

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1 A domestic corporation with office address at 4th Floor, Bonaventure Plaza, Ortigas Avenue, Greenhills, San Juan City, Philippines.

2 A domestic corporation with office address at 23rd Floor, Burgundy Corporate Tower, 252 Senator Gil Puyat, Makati City, Philippines.

3 The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.

4 Marked as Exhibits "A" to "F".

4. sample product labels bearing the trademark "PIOZONE" ;
5. certification and sales performance issued by the IMS; and
6. certified true copy of the Certificate of Product Registration issued by the FDA.

The Respondent-Applicant filed its Answer on 24 February 2014 alleging, among others, that its applied mark does not in any way resemble the trademark "PIOZONE" such that no confusion, deception or mistake can be created on the minds of the ordinary purchaser. It asserts that the mere fact that "PIOZONE" and "TIOZONE" are similarly applied to pharmaceutical products is not sufficient ground for the denial of registration of its mark. It explains that the mark "TIOZONE" is specifically intended for treatment of superficial fungal skin infections accompanied with inflamed and eczematous reaction and in a form of a cream while the Opposer's mark "PIOZONE" is intended as an adjunct to diet and exercise to improve glycemic control in patients with type 2 diabetes mellitus and is an oral medication. The Respondent-Applicant's evidence consists of the following:[5]

1. copy of the Notice to Answer dated 11 January 2014;
2. copy of the Registrability Report;
3. copy of the Notice of Allowance; and
4. copy of the 13 January 2013 letter of its counsel to the Director of Trademarks.

Pursuant to Office Order No. 154, s. 2010, the Hearing Officer referred the case to mediation. The parties, however, refused to mediate. Accordingly, the Hearing Officer scheduled the preliminary conference on 23 February 2016 wherein only the counsel for the Opposer appeared and was directed to submit its position paper within ten days therefrom. The Hearing Officer thereafter issued Order No. 2016-385 dated 29 February stating that the Respondent-Applicant is considered to have waived its right to submit position paper.

The issue in this case is whether the trademark "TIOZONE" should be allowed.

Records reveal that at the time the Respondent-Applicant filed an application for "TIOZONE" on 29 August 2012, the Opposer has a valid and existing registration of "PIOZONE" under Certificate of Registration No. 4-2007-0086 issued on 25 February 2008.

Section 123.1(d) of the IP Code, relied upon by Opposer, provides that:

"Section 123.1. A mark cannot be registered if it:

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[5] Marked as Exhibits "1" to "4", inclusive.

(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 x x x"

To determine whether the marks of Opposer and Respondent-Applicant are confusingly similar, the two are shown hereafter for comparison:

Piozone

Opposer's mark

Respondent-Applicant's mark

Upon scrutiny of the subject trademarks, it can be readily gleaned that both appropriate "IOZONE" and differ only in their respective first letters. Be that as it may, the same is insufficient to draw a conclusion that the competing marks are confusingly similar. The sample label for "PIOZONE"[6] shows that the generic name of the product is *pioglitazone hcl.* It can be gleaned that the Opposer arrived at its trademark by putting together the first and last syllable of "pioglitazone". On the other hand, Exhibit "2-B" of the Respondent-Applicant reveals that the main ingredients of "TIOZONE" is *tioconazole* and *hydrocortisone,* which also explains from where the mark is derived. It appears that "TIOZONE" is a combination of the first syllable of *tioconazole* and the last syllable of *hydrocortisone*. Therefore, both of the competing marks are suggestive marks. Although registrable, they are considered weak marks as far as distinctiveness is concerned. The mark or brand name itself gives away or tells the consumers the goods and/or the kind, nature, use or purpose thereof.

Moreover, because of the disparity between the goods covered by the Opposer's mark on one hand, and the goods indicated in the Respondent-Applicant's application on the other, it is doubtful if the consumers in encountering the mark "PIOZONE" will have in mind or be reminded of the trademark "TIOZONE". As explicitly stated in the certificate of registration, the mark "PIOZONE" pertains to *"pharmaceutical preparation for use on hypoglycemic agent"*, which purpose and use is different from "TIOZONE", a cream for fungal infections. Hence, it is unlikely for consumers, much less pharmacists, to be confused or to commit mistake.

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[6] Exhibit "D".

Finally, 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 product.[7] This Bureau finds that Respondent-Applicant's trademark sufficiently met this function.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2012-010466 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 31 MAY 2016

ATTY. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs

7 Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.