

THERAPHARMA, INC.,
Opposer,

-versus-

AMBICA INTERNATIONAL TRADING CORP.,
Respondent- Applicant.

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}
} IPC No. 14-2014-00490
} Opposition to:
} Appln. Serial No.4-2014-00005303
} Date Filed: 02 May 2014
} TM: "VEZAR"
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NOTICE OF DECISION

OCHAVE & ESCALONA
Counsel for Opposer
No. 66 United Street
Mandaluyong City

GENER CABOTAJE SANSAET
Counsel for Respondent-Applicant
West Tower 2005-A, PSE Center
Exchange Road, Ortigas Center
Pasig City

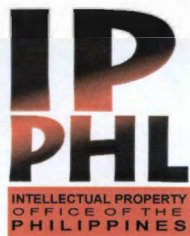
GREETINGS:

Please be informed that Decision No. 2016 - 160 dated May 31, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 31, 2016.

For the Director:

Edwin O. Daning
Atty. EDWIN DANILO A. DANING
Director III
Bureau of Legal Affairs



THERAPHARMA, INC.,
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 -versus-
 AMBICA INTERNATIONAL TRADING
 CORP.,
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IPC No. 14-2014-00490
 Opposition to:
 Application No. 4-2014-00005303
 Date Filed: 02 May 2014
 Trademark: "VEZAR"
 Decision No. 2016- 160

DECISION

THERAPHARMA, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-005303. The application, filed by Ambica International Trading Corp.² ("Respondent-Applicant"), covers the mark "VEZAR" for use on "pharmaceutical preparations namely anti-hypertensive" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"GROUNDS FOR OPPOSITION"

"The grounds for this Verified Opposition are as follows:

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

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

"9. The registration of the mark 'VEZAR' 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

¹A domestic corporation organized and existing under the laws of the Philippines with principal business address at 3rd Floor, Bonaventure Plaza, Ortigas Avenue, Greenhills, San Juan City, Philippines.
²A domestic corporation with address at #9 Amsterdam Extension, Merville Park Subdivision, Paranaque City, Metro Manila.
³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a 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 Purposes of the Registration of Marks concluded in 1957.

"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.

"ALLEGATIONS IN SUPPORT OF THE OPPOSITION

"In support of this Verified Notice of Opposition, Opposer will rely upon and prove the following facts:

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

"10.1. Opposer is engaged in the marketing and sale of a wide range of pharmaceutical and other healthcare products. The trademark application for the trademark 'VESTAR' was filed with the IPO on 30 March 2006 by Opposer and was approved for registration on 15 January 2007 to be valid for a period of ten (10) years, or until 15 January 2017. A certified true copy of the Certificate of Registration No. 4-2006-003582 for the trademark 'VESTAR' is hereto attached and made integral part hereof as Exhibit 'B'.

"10.2. Thus, the registration of the trademark 'VESTAR' subsists and remains valid to date.

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

"11.1. Opposer has dutifully filed Declarations of Actual Use pursuant to the requirement of the law. Certified true copies of the Declarations of Actual Use are hereto attached x x x

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

"11.3. No less than the Intercontinental Marketing Services ('IMS') itself, the world's leading provider of business intelligence and strategic consulting services for the pharmaceutical and healthcare industries with operations in more than 100 countries, acknowledged and listed the brand 'VESTAR' as one of the leading brands in the Philippines in the category of 'C01D Coronary Therapy' in terms of market share and sales performance. The Certification and sales performance is hereto attached x x x

"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'). A certified true copy of the Certificate of Listing of Identical Drug Product issued by the BFAD for 'VESTAR' is hereto attached x x

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

"11.6. As provided in Section 138 of the IP Code, 'A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.'

"12. The registration of Respondent-Applicant's mark 'VEZAR' will be contrary to Section 123.1 (d) of the IP Code. 'VEZAR' is confusingly similar to Opposer's trademark 'VESTAR'.

"12.1. There are no set 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.

"12.1.1. In *Societe' Des Produits Nestle', S.A. vs. Court of Appeals (356 SCRA 207, 216 [2001])*, the Supreme Court, citing *Ethepa vs. Director of Patents (16 SCRA 495, 497-498 [1966])*, held "[i]n determining if colorable imitation exists, jurisprudence has developed two kinds of tests - the Dominancy Test and the Holistic Test. The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception and thus constitute infringement. On the other side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity."

"12.1.2. It is worthy to note at this point that in *Societe' Des Produits Nestle', S.A. vs. Court of Appeals (supra, p. 221)* the Supreme Court held "[T]he totality or holistic test only relies on visual comparison between two trademarks whereas the dominancy test relies not only on the visual but also on the aural and connotative comparisons and overall impressions between the two trademarks."

"12.1.3. Relative thereto, the Supreme Court in *McDonalds' Corporation vs. L.C. Big Mak Burger, Inc. (437 SCRA 10, 32-33 [2004])* held:

x x x

"12.1.4. This was affirmed in *McDonald's Corporation vs. MacJoy Fastfood Corporation (514 SCRA 95, 107-108 [2007])*, which held that, '[t]he Court has consistently used and applied the dominancy test in determining, confusing similarity or likelihood of confusion between competing trademarks.'

"12.1.5. In fact, the dominancy test is 'now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code, which defines infringement as the colorable imitation of a registered mark x x x or a dominant feature thereof.' x x x

"12.1.6. Thus, applying the dominancy test in the instant case, it can be readily concluded that the Respondent-Applicant's mark 'VESTAR' so resembles Opposer's trademark 'VESTAR' that it will

likely cause confusion, mistake and deception on the part of the purchasing public.

"12.1.6.1. 'VEZAR' appears and sounds almost the same as 'VESTAR'.

"12.1.6.2. The first two letters and the last two letters of Respondent-Applicant's mark 'VEZAR' are identical with the first two letters and the last two letters of Opposer's trademark 'VESTAR'.

"12.1.6.3. Both marks are composed of two syllables '/VE/-/ZAR/' and '/VE/-/STAR/'.

"12.1.7. Clearly, Respondent-Applicant's mark 'VEZAR' adopted the dominant features of the Opposer's trademark 'VESTAR'.

"12.1.8. As further ruled by the High Court in the McDonald's Corporation case (supra, p. 33-34 [2004]):

x x x

"12.1.9. In American Wire & Cable Co., vs. Director of Patents (31 SCRA 544, 547-548 [1970]), the Supreme Court explained:

x x x

"12.2. Opposer's trademark 'VESTAR' and Respondent-Applicant's mark 'VEZAR' are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.

"12.3. Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed mark 'VEZAR' is applied for the same class and goods as that of Opposer's trademark 'VESTAR' under Class 05 of the International Classification of Goods as Pharmaceutical Preparations.

"12.4. Opposer's intellectual property right over its trademark is protected under Section 147 of the IP Code, which states:

x x x

"12.5. 'When, as in the present case, one applies for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and an established goodwill.' x x x

"13. To allow Respondent-Applicant to continue to market its products bearing the mark 'VEZAR' undermines Opposer's right to its trademark 'VESTAR', Opposer is entitled to prevent Respondent-Applicant from using a confusingly similar mark in the course of trade where such would likely mislead the public.

"13.1. Being the lawful owner of the trademark 'VESTAR', Opposer has the exclusive right to use and/or appropriate the said marks and prevent all third parties not having its consent from using in the course of trade identical or similar marks, where such would result in a likelihood of confusion.

"13.2. By reason of Opposer's ownership of the trademark 'VESTAR', it also has the right to prevent third parties, such as Respondent-Applicant, from claiming ownership over Opposer's mark or any depiction similar thereto, without its authority or consent.

"13.3. Moreover, following the illustrative list of confusingly similar sounds in trademarks cited in McDonald's Corporation case (supra, p. 34), it is evident that the Respondent-Applicant's mark 'VEZAR' is aurally confusingly similar to Opposer's trademark 'VESTAR':

x x x

"13.4. Further, the fact that Respondent-Applicant seeks to have its mark 'VEZAR' registered in the same class (Nice Classification 05) as Opposer's trademark 'VESTAR', coupled by the fact that both are Pharmaceutical Preparations will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

"14. By virtue of Opposer's prior and continued use of the trademark 'VESTAR', the same have established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent-Applicant's confusingly similar mark 'VEZAR' on its goods will enable the latter to obtain benefit from Opposer's reputation and goodwill and will tend to deceive and/or confuse the public into believing that Respondent-Applicant is in any way connected with Opposer.

"14.1. As held in *Sterling Products International, Inc. vs. Farbenfabriken Bayer Aktiengesellschaft, et. al.* (27 SCRA 1214, 1227 [1968]) there are two types of confusion in trademark infringement. 'The first is the confusion of goods' in which event the ordinarily 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 be deceived either into that belief or into the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist.'

"14.2. The doctrine of confusion of business or origin is based on cogent reasons of equity and fair dealing. It has to be realized that there can be unfair dealing by having one's business reputation confused with another. 'The owner of a trademark or trade name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods.' (*Ang vs. Teodoro*, 74 Phil 50, 55-56 [1942]).

"14.3. Applying the foregoing to the instant case, to allow Respondent-Applicant to use its mark 'VEZAR' on its product would likely cause confusion

or mistake in the mind of the public or deceive purchasers into believing that the product of Respondent-Applicant originated from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'VESTAR' product of Opposer, when such connection does not exist.

"14.4. In Canon Kabushiki Kaisha vs. Court of Appeals (336 SCRA 266, 275 [2000]), the Supreme Court explained that:

x x x

"14.5. Clearly, the scope of protection accorded to trademark owners includes not only confusion of goods but also confusion of origin. As in this case, besides from the confusion of goods already discussed, there is undoubtedly also a confusion of the origin of the goods covered by the marks of Respondent-Applicant and Opposer, which should not be allowed.

"15. Respondent-Applicant's use of the mark 'VEZAR' in relation to any of the goods covered by the opposed application, if these goods are considered not similar or closely related to the goods covered by Opposer's trademark 'VESTAR', will take unfair advantage of, dilute and diminish the distinctive character or reputation of the latter mark.

"16. Potential damage to Opposer will be caused as a result of its inability to control the quality of the products put on the market by Respondent-Applicant under the mark 'VEZAR'.

"17. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent-Applicant of the mark 'VEZAR'. The denial of the application subject of this Opposition is authorized under the IP Code.

"18. In support of the foregoing, the instant Notice of Opposition is herein verified by Ms. Rowena S. Keyser, which will likewise serve as her affidavit (Nasser v. Court of Appeals, 191 SCRA 783 [1990]).

The Opposer's evidence consists of a copy of the pertinent page of the IPO E-Gazette released on 07 October 2014; a copy of the Certificate of Registration No. 4-2006-003582 for the trademark VESTAR issued on 15 January 2007; copies of Declarations of Actual Use for the trademark VESTAR; a sample product packaging bearing the trademark VESTAR ; a copy of the certification and sales performance for the mark VESTAR issued by the Intercontinental Marketing Services ("IMS"); and a copy of the Certificate of Listing of Identical Drug Product issued by BFAD for the mark VESTAR.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 15 December 2014. Respondent-Applicant filed the Answer on 23 January 2014. Thereafter, the Bureau issued Order No. 2015-145 directing the Respondent-Applicant to submit the original Secretary's Certificate. Said Respondent-Applicant, however, did not submit the original Secretary's Certificate. Pursuant to Rule 2, Sec. 10 of the Amended Rules and Regulations on Inter Partes Proceedings

⁴Marked as Exhibits "A" to "G".

(promulgated through Office Order No. 99, s. 2011 which took effect on 17 July 2011), the Respondent-Applicant was declared in default for failure to complete the requirements of the Verified Answer.

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

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

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;"

Records show that at the time the Respondent-Applicant filed its trademark application on 02 May 2014, the Opposer already has an existing trademark registration for the mark VESTAR under Certificate of Registration No. 4-2006-003582 issued on 15 January 2007. The registration covers anti-angina medicinal preparation in Class 05. This Bureau noticed that the goods indicated in the Respondent-Applicant's trademark application, i.e. pharmaceutical preparations namely anti-hypertensive under Class 05, are similar or closely-related to the Opposer's.

But, are the competing marks, as shown below, resemble each other such that confusion, or even deception is likely to occur?

Vestar

VEZAR

Opposer's trademark

Respondent-Applicant's mark

Confusion is likely in this instance because of the close resemblance between the marks and that the goods covered by the competing marks are similar or closely-related as they are indications or treatment for cardiovascular diseases. Respondent-Applicant's mark VEZAR appears and sounds almost the same as Opposer's trademark VESTAR. Both VESTAR and VEZAR marks start with the letters "VE" and end with the same suffix or letters "AR". Respondent-Applicant merely replaced the letters "S"

and "T" with the letter "Z" in Opposer's VESTAR to come up with the mark VEZAR. It could result to mistake with respect to perception because the marks sound so similar. Under the idem sonans rule, the following trademarks were held confusingly similar in sound: "BIG MAC" and "BIG MAK"⁵, "SAPOLIN" and LUSOLIN"⁶, "CELDURA" and "CORDURA"⁷, "GOLD DUST" and "GOLD DROP". The Supreme Court ruled that similarity of sound is sufficient ground to rule that two marks are confusingly similar, to wit:

Two letters of "SALONPAS" are missing in "LIONPAS": the first letter a and the letter s. Be that as it may, when the two words are pronounced, the sound effects are confusingly similar. And where goods are advertised over the radio, similarity in sound is of especial significance...."SALONPAS" and "LIONPAS", when spoken, sound very much alike. Similarity of sound is sufficient ground for this Court to rule that the two marks are confusingly similar when applied to merchandise of the same descriptive properties.⁸


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 This Bureau finds that the mark applied for registration by the Respondent-Applicant does not meet this function.

In conclusion, the subject trademark application is covered by the proscription under Sec. 123.1(d) (iii) of the IP Code.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2014-005303 is hereby SUSTAINED. Let the filewrapper of the subject trademark application 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

⁵ *MacDonalds Corp, et. al v. L. C. Big Mak Burger*, G.R. No. L-143993, 18 August 2004.

⁶ *Sapolin Co. v. Balmaceda and Germann & Co,m* 67 Phil, 705.

⁷ *Co Tiong SA v. Director of Patents*, G.R. No. L- 5378, 24 May 1954; *Celanes Corporation of America vs. E. I. Du Pont de Nemours & Co.* (1946), 154 F. 2d 146 148.)

⁸ *Marvex Commerical Co., Inc. v.Petra Hawpia & Co., et. al.*, G.R. No. L-19297,22 Dec. 1966.

⁹ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).