

UNITED AMERICAN PHARMACEUTICALS, INC., }
Opposer, }

-versus-

AMBICA INTERNATIONAL TRADING CORP., }
Respondent- Applicant. }

X-----X

IPC No. 14-2014-00466
Opposition to:
Appl. Serial No. 4-2014-007836
Date Filed: 23 June 2014
TM: "3-GEN"

NOTICE OF DECISION

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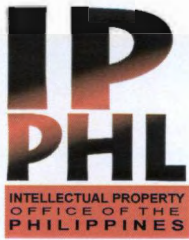
GREETINGS:

Please be informed that Decision No. 2016 - 170 dated June 08, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 08, 2016.

For the Director:

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



UNITED AMERICAN PHARMACEUTICALS, INC.,
Opposer,
 -versus-
 AMBICA INTERNATIONAL TRADING CORPORATION,
Respondent-Applicant.

x-----x

IPC No. 14-2014-00466
 Opposition to:
 Application No. 4-2014-007836
 Date Filed: 23 June 2014
 Trademark: "3-GEN"
 Decision No. 2016- 170

DECISION

UNITED AMERICAN PHARMACEUTICALS, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-007836. The application, filed by Ambica International Trading Corporation² ("Respondent-Applicant"), covers the mark "3-GEN" for use as "pharmaceutical preparations namely anti-bacterial" 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 Notice of Opposition are as follows:

"7. The mark '3-GEN' owned by Respondent-Applicant so resembles the trademark 'ZEGEN' owned by Opposer and duly registered with the IPO prior to the publication for opposition of the mark '3-GEN'.

"8. The mark '3-GEN' will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed mark '3-GEN' is applied for the same class and goods as that of Opposer's trademark 'ZEGEN', i.e. Class 05 of the International Classification of Goods as Antibacterial/Anti-Infective Pharmaceutical Preparations.

"9. The registration of the mark '3-GEN' 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 corporation duly organized and existing under the laws of the Philippines with office address at No. 66 United Street., Mandaluyong City, Philippines.
² A domestic corporation with address at #9 Amsterdam Extension, Merville Park Subdivision, Paranaque City, Metro Manila, Philippines.
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 'ZEGEN'.

"10.1. Opposer is engaged in the marketing and sale of a wide range of pharmaceutical products. The trademark application for the trademark 'ZEGEN' was filed with the IPO on 9 August 2001 by Opposer and was approved for registration on 31 October 2012 to be valid for a period of ten (10) years, or until 31 October 2022. A print-out of the IPOPHL Trademark Database, which shows the date of registration and expiration date of the registration of the trademark 'ZEGEN' is hereto attached and made an integral part hereof as Exhibit "B". Also, a certified true copy of the Notice of Issuance and Second Publication Fee, which shows that the trademark 'ZEGEN' was already allowed registration, is hereto attached and made integral part hereof as Exhibit 'C'.

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

"11.1. A sample product packaging label bearing the trademark 'ZEGEN' actually used in commerce is hereto attached and made an integral part hereof as 'Exhibit 'D'.

"11.2. No less than the International 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 'ZEGEN' as one of the leading brands in the Philippines in the category of 'J01D-Cephalosporins and Combinations' in terms of market share and sales performance. The Certification and sales performance is hereto attached x x x

"11.3. 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 Product Registration issued by the BFAD for 'ZEGEN' is hereto attached x x x

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

"12. The registration of Respondent-Applicant's mark '3-GEN' will be contrary to Section 123.1 (d) of the IP Code. '3-GEN' is confusingly similar to Opposer's trademark 'ZEGEN'.

"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 v. 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 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, 109 [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 xxx or a dominant feature thereof.' (*MacDonald's Corporation*, supra, p. 33 [2004])

"12.1.6. Thus, applying the dominancy test in the instant case, it can be readily concluded that Respondent-Applicant's mark '3-GEN' so resembles Opposer's trademark 'ZEGEN', that it will likely cause confusion, mistake and deception on the part of the purchasing public.

"12.1.6.1. '3-GEN' appears and sounds almost the same as 'ZEGEN'.

"12.1.6.2. The last three letters of Respondent-Applicant's mark '3-GEN' are identical with the last three letters of Opposer's trademark 'ZEGEN'.

"12.1.7. Clearly, Respondent-Applicant's mark '3-GEN' adopted the dominant features of the Opposer's trademark 'ZEGEN'.

"12.1.8. As further ruled by the High Court in 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 'ZEGEN' and Respondent-Applicant's mark '3-GEN' 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 '3-GEN' is applied for the same class and goods as that of Opposer's trademark 'ZEGEN' under Class 05 of the International Classification of Goods as Antibacterial/Anti-Infective 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.' (Chuanchow Soy & Canning Co., vs. Director of Patents, 108 Phil. 833, 836 [1960])

"13. To allow Respondent-Applicant to continue to market its products bearing the mark '3-GEN' undermines Opposer's right to its trademark 'ZEGEN'. As the lawful owner of the trademark 'ZEGEN', Opposer is entitled to prevent the 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 'ZEGEN', 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 'ZEGEN', it also has the right to prevent third parties, such as Respondent-Applicant, from claiming ownership over Opposer's marks 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 Respondent-Registrant's mark '3-GEN' is aurally confusingly similar to Opposer's trademark 'ZEGEN'.

x x x

"13.4. Further, the fact that Respondent-Applicant seeks to have its mark '3-GEN' registered in the same class (Nice Classification 05) as Opposer's trademark 'ZEGEN', coupled by the fact that both are Antibacterial/Anti-Infective 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 'ZEGEN', the same have become well-known and established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent-Applicant's confusingly similar mark '3-GEN' 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 brought as the plain' 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 '3-GEN' 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 originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'ZEGEN' 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 '3-GEN' 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 'ZEGEN', 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 '3-GEN'.

"17. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent-Applicant of the mark '3-GEN'. The denial of the application subject of this opposition is authorized under the IP Code.

"17. In support of the foregoing, the instant Notice of Opposition is herein verified by Mr. Laureano S. Salazar, which will likewise serves as his affidavit. (Nasser vs. Court of Appeals, 191 SCRA 783, 792-793 [1990])

The Opposer's evidence consists of a copy of the pertinent page of the IPO E-Gazette officially released on 22 September 2014; a print-out of the IPOPHL Trademark Database which shows the date of registration and expiration date of registration of the trademark ZEGEN; a copy of the Notice of Issuance and Second Publication Fee; a sample product packaging label bearing the trademark "ZEGEN"; a copy of the Certification and Sales Performance issued by the Intercontinental Marketing Services ("IMS"); and a copy of the Certificate of Product Registration issued by the BFAD for ZEGEN.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 20 November 2014. The Respondent-Applicant filed their Answer on 08 January 2015 and avers the following:

x x x

"Special and Affirmative Defenses

"10. The trademark '3-GEN' is not identical to, nor does so resemble, the trademark 'ZEGEN' so as to cause confusion, mistake or deception on the part of the purchasing public. The marks '3-GEN' and 'ZEGEN' are clearly different in spelling and have distinctive pronunciations, fonts, colors and designs, nor do they nearly resemble or are confusingly similar to each other as to be likely to deceive or cause confusion.

⁴Marked as Exhibits "A" to "E".

"First, 'ZEGEN' and '3-GEN' use very different fonts. Moreover, 'ZEGEN' is in sentence case while '3-GEN' is in all caps. These distinguish the two marks showing a big dissimilarity in appearance. A copy of the Respondent-Applicant's mark is attached as Exhibit 1.

"Second, aurally, '3-GEN' is likewise neither identical nor similar to 'ZEGEN'. '3-GEN' is pronounced very differently from 'ZEGEN'. The dominant feature of the mark '3-GEN' is the roman numeral Three (3), which is very dissimilar to that of 'ZEGEN'.

"Third, even the rule on idem sonans finds no application to '3-GEN' and 'ZEGEN' due to their great difference in pronunciation. Two names are said to be 'idem sonantes' if the attentive ear finds difficulty in distinguishing them when pronounced, or if common and long-continued usage has by corruption or abbreviation made them identical in pronunciation. In this case, there is no such identity nor similarity that may justify treating '3-GEN' as legally identical to 'ZEGEN'.

"Fourth, '3-GEN' is composed of One (1) numeral and Three (3) letters while 'ZEGEN' is composed of only Five (5) letters only. To be sure, the difference in the number of letters and the absence of a numeral in the latter strongly militates against the claimed confusion that might arise between the two marks.

"Fifth, these two marks are written differently owing to the difference in writing the numeral 3 and the prefix ze-

"Lastly, in overall impression, these two marks are clearly different and they do not nearly resemble or are confusingly similar to each other as to be likely to deceive or cause confusion.

"14. Importantly, there is no indication at all that the use of the mark '3-GEN' would likely cause confusion or mistake in the mind of or deceive the ordinary purchaser, or one who is accustomed to buy, and therefore to some extent familiar with, the mark 'ZEGEN'.

"15. Anent Opposer's charge of confusion, the Generics Act of 1988 (RA No. 6675) requires that 'the generic name shall appear prominently and immediately above the brand name in all product labels as well as in advertising and other promotional materials obviating any risk of confusion. In fact, 'All medical, dental and veterinary practitioners, including private practitioners, shall write prescriptions using the generic name. The brand name may be included if so desired.' Here, 'CEFUROXIME', the generic name for 'ZEGEN' is very different from 'CEFTRIAXONE', the generic name for '3-GEN'. Accordingly, confusion is less likely than what Opposer would want the Hon. Office to believe.

"16. Moreover, Republic Act No. 5921, also known as Act Regulation the Practice of Pharmacy also requires that 'No medicine, pharmaceutical, or drug of whatever nature and kind or device shall be compounded, dispensed, sold or resold, or otherwise be made available to the consuming public except through a prescription drugstore or hospital pharmacy, duly established in accordance with the provisions of this Act' and that 'Every pharmacy, drugstore or hospital pharmacy whether owned by the government or a private person or firm shall at

all times when open for business be under the personal and immediate supervision of a registered pharmacist.' These legal provisions further insure against possible confusion that Opposer claim to be guarding against.

"17. Moreover, comparison of packaging for '3-GEN' and 'ZEGEN' shows great variance further lessening any chance of confusion between said marks in actual commerce.

"18. The mark '3-GEN' being distinct from or dissimilar to the generic name 'ZEGEN', the same cannot give rise to a cause of action in favor of Opposer much less to exclude Respondent-Applicant from the use of a separate and distinct mark '3-GEN'. Accordingly, Opposer cannot claim any damage by reason of Respondent-Applicant's continued use of the mark '3-GEN'.

"19. Respondent-Applicant's use of the mark '3-GEN' in commerce is shown by the Food and Drug Administration's issuance of a Certificate of Product Registration, as amended, in its favor, a copy of which is attached as Exhibit 2.

"20. Lastly, comparison of packaging for '3-GEN' and 'ZEGEN', shows great variance further lessening any chance of confusion between said marks in actual commerce.

The Respondent-Applicant's evidence consists of a copy of the Respondent-Applicant's mark and a copy of the Certificate of Product Registration issued by the Food and Drug Administration for Respondent-Applicant's mark 3-GEN.⁵

On 10 February 2016, the Preliminary Conference was terminated and the parties were directed to file their respective position papers. Thereafter, the case was deemed submitted for resolution.

Should the Respondent-Applicant be allowed to register the trademark 3-GEN?

The Opposer anchors its opposition on the following provisions of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"):

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;"

⁵Marked as Exhibits "1" and "2".

Sec. 147. *Rights Conferred.* - 147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use, of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

Records show that at the time the Respondent-Applicant filed its trademark application on 23 June 2014, the Opposer has an existing trademark registration for the mark ZEGEN (Reg. No. 4-2001-005795) issued on 31 October 2012. The registration covers "an anti-infective medicinal preparation" under Class 05, which is similar or closely-related to the goods indicated in the Respondent-Applicant's trademark application, specifically, "pharmaceutical preparations namely anti-bacterial".

A comparison of the competing marks reproduced below:

ZEGEN

3-GEN

Opposer's trademark

Respondent-Applicant's mark

shows that confusion is likely to occur. This Bureau noticed that the pharmaceutical products covered by the marks are similar or closely-related. Designated as 3-GEN, Respondent-Applicant's pharmaceutical products are anti-bacterial in Class 05. Opposer's products covered under ZEGEN are anti-infective medicinal preparation under Class 05. Both marks have the same last syllable GEN. Confusion is likely in this instance because of the close resemblance between the marks which used the last syllable GEN. Hence, a mistake in the dispensation of drugs is possible. Likewise, 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"⁶, "SAPOLIN" and LUSOLIN"⁷, "CELDURA" and "CORDURA"⁸, "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.

⁶ *MacDonalds Corp. et. al v. L. C. Big Mak Burger*, G.R. No. L-143993, 18 August 2004.

⁷ *Sapolin Co. v. Balmaceda and Germann & Co.*, 67 Phil, 705.

⁸ *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.)

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.⁹

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. 4-2014-00007836 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, 08 JUN 2016.


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

⁹ *Marvex Commercial Co., Inc. v. Petra Hawpia & Co., et. al.*, G.R. No. L-19297, 22 Dec. 1966.