



GALDERMA, S.A.,
Opposer,

-versus-

GINSANA, S.A.,
Respondent- Applicant.

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} **IPC No. 14-2011-00212**
}
} Opposition to:
} Appln. Serial No. 4-2010-011715
} Date Filed: 27 October 2010
} **TM: "REACTYL"**
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}
}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 247 dated July 12, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 12, 2016.

For the Director:


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

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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GALDERMA, S.A.,

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GINSANA, S.A.,

Respondent-Applicant.

x-----x

IPC No. 14-2011-00212

Opposition to:

Application No. 4-2010-011715

Date Filed: 16 December 2010

Trademark: "REACTYL"

Decision No. 2016- 247

DECISION

GALDERMA, S.A.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2010-011715. The application, filed by Ginsana SA² ("Respondent-Applicant"), covers the mark "REACTYL" for use on "*pharmaceutical preparations and food supplements able to strengthen the natural body defenses and to relieve symptoms of allergy affecting the respiratory tract*" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"The grounds for the opposition are as follows:

"1. The Respondent-Applicant's mark 'REACTYL' is confusingly similar with the Opposer's mark 'RETACNYL' since it is very likely to cause confusion, mistake and deception on the part of the purchasing public when applied to or used in connection with the goods of Respondent-Applicant.

"2. The Opposer has an earlier filing date and a prior valid and still existing trademark registration for the 'RETACNYL' mark for goods under class 05. Hence, Opposer should be protected against any subsequent attempt to register a confusingly similar or identical mark on the basis of Section 123.1 (d) of R.A. 8293, which states to wit:

x x x

"3. Opposer's 'RETACNYL' mark is a well-known trademark protected under Section 123.1 (e) & (f) of the Intellectual Property Code and Article 6bis of the Paris Convention which the Philippines and Switzerland adhere, which state as follows:

x x x

¹A corporation duly organized and existing under the laws of Switzerland with principal place of business at Zugerstrasse 8, 6330 Cham, Switzerland.

²With address at Via Mulini, CH-6934 Bioggio, Switzerland.

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.

"4. The adoption by the Respondent-Applicant of the 'REACTYL' mark for goods under class 05 is designed to ride on the goodwill of Opposer's mark, to diminish the distinctiveness and dilute the goodwill established by the well-known 'RETACNYL' mark for goods under class 05 and to compete unfairly with the Opposer.

"5. The registration of Respondent-Applicant's trademark is contrary to the other provisions of the Intellectual Property Code of the Philippines. Public order and safety dictates that Applicant's 'REACTYL' trademark should not be registered due to its confusing similarity with Opposer's 'RETACNYL' trademark which will likely result to prescription, dispensing and medication error. Hence, the registration of the Applicant's mark should not be allowed under the provision of Sec. 123.1 (m) of the Intellectual Property Code, to wit:

x x x

"The Opposer will rely on the following facts in support of the Opposition:

"1. Opposer is the prior applicant of the mark 'RETACNYL' in the Philippines having filed its trademark application on April 28, 1994 or more than sixteen (16) years before the Applicant filed its application for the mark 'REACTYL' on October 27, 2010;

"2. Opposer has a prior valid and existing trademark registration in the Philippines for the mark 'RETACNYL' which was granted on February 27, 2002 or more than eight (8) years before Applicant filed its application for the mark 'REACTYL' on October 27, 2010 to wit:

x x x

"3. Opposer is the creator and originator of the arbitrary and coined trademark 'RETACNYL' which was creatively formed from the words 'retinoid' and 'acne'.

"3.1 Galderama S.A. is one of the world's leading dermatology company and which was founded in 1981 as a joint venture between Nestle and L'Oreal. Galderama S.A. has three (3) R&D centers, three (3) manufacturing sites and thirty one (31) affiliates in the major countries of the world, notable of which is the Galderama Laboratories Inc. in the United States (U.S.A.). More than 3,000 people work for Galderama S.A. throughout the world.

"3.3. In 2009, Galderama S.A. reported sales of EUR 978 Million and have eleven major products distributed in over 70 countries.

"6. Opposer's 'RETACNYL' mark is well-known internationally and in the Philippines and Respondent-Applicant has appropriated the closely similar or identical 'REACTYL' trademark for the obvious purpose of capitalizing upon the goodwill established by Opposer's well-known trademark and to make the public into believing that its identical goods originate from, or are licensed or sponsored by Opposer to the damage of Opposer's interests.

"7. As a leading pharmaceutical company with a worldwide reach and business presence, Opposer's trademarks, i.e. 'RETACNYL', are well-known in the pharmaceutical industry. Thus, Respondent-Applicant as a pharmaceutical company is

well-aware of the Opposer's company, which is a leading player in the local pharmaceutical industry, and the trademarks it carries.

"8. Opposer is the prior user and adopter of the arbitrary and coined 'RETACNYL' mark in the Philippines and in the world, having been commercially using the mark internationally through their worldwide marketing and sales network since 1996 or more than 15 years before the appropriation and the filing of the application for the registration of the Applicant's mark 'REACTYL' in October 27, 2010.

"9. Opposer is the prior registrant of the 'RETACNYL' trademark around the world, including the Philippines. Opposer have registered or applied for the registration of the subject trademark for goods in Class 05 in several countries including but not limited to, i.e., Algeria, Argentina, Bahrain, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Croatia, Dominican Republic, Ecuador, El Salvador, Estonia, Finland, France, Guatemala, Haiti, Honduras, Hong Kong, India, Indonesia, Ireland, Jamaica, Japan, Korea (South), Kuwait, Latvia, Lebanon, Liechtenstein, Lithuania, Malaysia, Malta, Mexico, Monaco, Morocco, Namibia, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Russian Federation, Saudia Arabia, Singapore, South Africa, Sweden, Switzerland, Thailand, Trinidad & Tobago, Tunisia, Turkey, Uruguay, Venezuela and World Intellectual Property Org. (WIPO);

"10. The total sales of 'RETACNYL' from 1998 to 2010 in the major countries of the world, i.e. Argentina, Brazil, Central America, Chile, Colombia, Dominican Republic, Dom Tom, Ecuador, France, Hong Kong, Kuwait, Lebanon, Maghreb, Malaysia, Malta, Mauritius, Mexico, Peru, Philippines, Saudi Arabia, Singapore, South Afrilca, South Korea, Taiwan, Thailand, Uruguay, Venezuela, Vietnam has a combined total of US\$ 22 million;

"11. Opposer has invested millions in the promotion and marketing of the 'RETACNYL' mark worldwide;

"11.1 Opposer has actively promoted and advertised the mark 'RETACNYL' through its various packaging and promotional materials used worldwide. Moreover, products bearing the 'RETACNYL' trademark can be found in the Internet and is featured in Philippine websites i.e. www.thefilipinodoctor.com and www.mims.com.ph. Likewise, 'RETACNYL' is commercially available online in the Internet i.e. drugs-about.com; goods.gmarket.com, and www.ioffer.com;

"12. Applicant's mark 'REACTYL' is confusingly similar with Opposer's 'RETACNYL' mark not only as to the goods but also to the mark. Public safety dictates that Respondent-Applicant's mark should not be registered because the presence of Respondent-Applicant's confusing mark in the market will result to prescription, dispensing and medication error.

"13. The goods on which the mark are used are similar, if not identical, and related because of the following reasons:

"13.1 Both marks cover similar and related goods under International Class 5.

"13.2 The goods on which both marks are used have anti-bacterial indications.

"14. The marks 'RETACNYL' and 'REACTYL' are substantially identical or closely similar, a side by side comparison of the marks will reveal that the marks not only look-alike but also sound-alike:

"14.1 Applicant's mark 'REACTYL' is spelled using the same letters of mark 'RETACNYL' except for the letter 'N'.

"14.2 Both marks have the same first two letters 'RE', two middle letters 'AC', and last two letters 'YL'. Moreover, the letter 'T' was removed in the second syllable and replaced the letter 'N' in the third syllable of the opposed mark. Clearly the marks are very similar.

"14.3 A handwritten prescription of 'REACTYL' can appear and read as 'RETACNYL', or vice-versa. As the first two letters, the two middle letters and the last two letters of the marks 'RETACNYL' and 'REACTYL' are the same, the confusion between the marks can be compounded when handwritten in cursive. There is a potential risk for medication error considering the practice of medical professionals in prescribing medicines through handwritten prescription.

"14.4 The marks sound alike when communicated orally. Both marks sound alike when pronounced because of its identical and similar sounding first two letters, two middle letters and last two letters. The similarity of sound becomes more obvious when the entire mark is orally communicated pronounced in thick regional accent which is common in the Philippines.

"15. There is no doubt both marks are confusingly similar, as to the mark and as to the goods. The confusing similarity of the marks is a potential risk for prescription, dispensing and medication errors. The marks at a first glance appear to be the same more so when spelled and handwritten. The marks also sound alike that when read and orally communicated can be confused as the other one. Such mistake and confusion are compounded by the fact that the goods on which both marks are used are similar and related. This potential risk for prescription, dispensing and medication errors can undermine the patient's and public safety.

"16. The registration of Respondent's 'REACTYL' mark will not only dilute the goodwill and distinctiveness of Galderma's 'RETACNYL' mark but will lead to potential risk of prescription, dispensing and medication errors.

"17. Attached are Opposer's evidence consisting of the duly notarized and legalized affidavit of its witness, its supporting documents and other evidentiary materials. Opposer reserve its right to submit additional evidence when necessary.

The Opposer's evidence consists of the Verification and Certification of Non-Forum Shopping; the Special Power of Attorney executed by Opposer in favor of Atty. Manuel Domingo A. Cordova, Opposer's counsel; the Board Resolution; the Affidavit-Testimony of Julie Bernard, the authorized signatory of Galderma S.A.; copy of invoices of commercial sale of "Retacnyl" in the Philippines; pictures of "Retacnyl" packaging; a

list of "Retacnyl" registration by country; copy of Philippine Trademark Registration No. 4-1994-94336; copy of the Malaysia Trademark Registration No. 95011457; copy of Singapore Trademark Registration No. T95/07940B; copy of Saudi Arabia Trademark Registration No. 404/25; copy of the Lebanon Trademark Registration No. 69350; copy of Mexico Trademark Registration No. 407156; copy of Spain Trademark Registration No. 549 471; copy of Korea Trademark Registration No. 385787; summary of "Rectanyl" sales (1998-2010); extract of webpages offering "Rectanyl", www.ioofer.com; extract of webpages offering "Rectanyl", drugs-about.com; extract of webpages offering "Rectanyl", www.mims.com.ph; extract of webpages offering "Rectanyl", goods.gmarket.com.sg; and extract of webpages offering "Rectanyl", www.thefilipinodoctor.com.⁴

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Applicant on 11 July 2011. The Respondent-Applicant filed their Answer on 06 October 2011 and avers the following:

x x x

"SPECIAL AND AFFIRMATIVE DEFENSES"

"4. Respondent's trademark 'REACTYL' is not confusingly similar to Opposer's mark 'RETACNYL' as to be likely to cause confusion, mistake and deception on the part of the purchasing public. Thus, Opposer's ground for its Verified Opposition has no factual or legal basis.

"5. In deciding whether a trademark is confusingly similar to another, what must be determined is whether there is a likelihood that the trademark may cause confusion or mistake or may deceive purchasers that said product is the same as the other or is manufactured by the same company. In which case, the Supreme Court had, in many occasions, ruled that all the surrounding circumstances should be considered.

"6. In Mead Johnson & Company vs. N.V.J. Van Drop, Ltd., et. al., where Mead Johnson (owner of the mark 'Alacta') opposed N.V.J. Van Drop's application for registration of its mark 'Alaska', the Supreme Court thus:

x x x

"7. Applying this test in the instant case, it is readily evident that the similarities between Respondent-Applicant's 'REACTYL' and Opposer's 'RETACNYL' are more apparent than real and are completely undermined by the material differences of the two.

"7.1 As clearly pointed out in the Notice of Verified Opposition, there are marked differences and/or distinctions between the two marks, in terms of spelling and the location of the particular letters used in both marks.

⁴Marked as Exhibits "A" and "H", inclusive.

"7.2 Given the differences, the Opposer could not have claimed or will surely fail to establish why the purchasing public would suddenly confuse its goods to goods carrying a completely different word and format.

"7.3 The case of American Cyanamid Company vs. The Director of Patents, is apropos. In such case, the Supreme Court ruled that in the trade names SULMET and SULMETINE, there can be no infringement of trademark considering that there are striking differences between the two marks, thus:

x x x

"8. The extent of confusion can also be determined from the consumer's viewpoint. As held in Del Monte Corporation vs. Court of Appeals:

x x x

"9. Relevantly, in Fruit of the Loom, Inc. vs. Court of Appeals, G.R. No. L-32747, Nov. 29, 1984, the Supreme Court held that 'the ordinary purchaser must be thought of as having, and credited with, at least a modicum of intelligence to be able to see the obvious differences between the trademarks in question.'

"10. In the present case, the difference between the two trademarks as mentioned above would definitely and instantly catch the attention of the buying public. Hence, confusion and deception are avoided.

"11. Moreover, in a number of cases, the Supreme Court has adopted the view that opposing trademarks should be compared in its entirety to determine confusing similarity. In Bristol Myers Company vs. The Director of Patents, the Supreme Court ruled thus:

x x x

"12. Opposer has neither exclusive nor vested right to use the letters R, E, T, A, C, N, Y, L. Its registration is limited to the format RETACNYL. Thus, it has no right to prevent others from utilizing the letters. To be sure, Opposer could have obtained any exclusive right to combine these letters to produce a trademark.

"13. Assuming that Opposer can exclusively appropriate the letters, R, E, T, A, C, N, Y, L, although it cannot, it should be noted that Respondent-Applicant's trademark is 'REACTYL,' which is an originally coined mark.

"14. Thus, it was erroneous on the part of the Opposer to allege that by Respondent-Applicant's trademark 'REACTYL', will prejudice Opposer. From the foregoing, it is clear that there is no valid reason for Opposer's Verified Opposition to the application for registration of Respondent-Applicant's trademark 'RETACNYL.' The theory of the Opposer about the possible confusion between the marks of Opposer and Respondent-Applicant is without legal or factual basis.

"15. Equally specious is the theory that the registration of the mark RETACNYL would endanger public order. The apprehension is more imagined than real for the simple reason that the prescribing physician and pharmacist are trained professionals who will not commit mistakes which were pointed out by the Opposer. The consumer or the patient, who is merely guided by the advice and prescription given by the professionals will not suffer from any confusion or danger, as there is, in fact no similarity between the two marks.

"16. The following schedule shows some of the oldest registration of the mark 'REACTYL' in other countries.

x x x

"17. In support of the foregoing, the instant Answer is herein verified by Carlo Rezzonico, which likewise serves as her affidavit (Nasser v. Court of Appeals, 191 SCRA 783 [1990]).

The Respondent-Applicant's evidence consists of copy of Trademark Reg. No. 423.683 for the mark REACTYL in Colombia issued on 15 April 2011; copy of Trademark International Registration No. 1.053.475 for the mark REACTYL covering the following countries: Cyprus, Denmark, Norway and Portugal issued on 04 September 2010; copy of Trademark Reg. No. 599794 for the mark REACTYL in Switzerland issued on 09 April 2010; copy of Trademark Reg. No. 131790 for the mark REACTYL in Lebanon; copy of Trademark Reg. No. 172079 for the mark REACTYL in Peru issued on 14 January 2011; and copy of Trademark Reg. No. 114986 for the mark REACTYL in Jordan.⁵

On 21 October 2011, Opposer filed a Reply to Respondent-Applicant's Answer.

On 13 January 2012, 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 REACTYL?

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;"
- (e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered

⁵Marked as Exhibits "1" and "15", inclusive.

here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

- (f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or service which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided further*, That the interests of the owner of the registered mark are likely to be damaged by such use;

x x x

- (m) Is contrary to public order or morality.

Records show that at the time the Respondent-Applicant filed its trademark application on 27 October 2010, the Opposer has an existing trademark registration for the mark RETACNYL (Reg. No. 4-1994-94336) issued on 27 February 2002. The registration covers "pharmaceutical preparations for dermatological use, veterinary and hygienic products; dietetic substances for medical usage; baby foods; plasters and dressing materials; materials for dental fillings and denture impressions; disinfectants; products for the destruction of noxious animals; fungicides; herbicides" under Class 05. The Respondent-Applicant's trademark application, on the other hand, covers "pharmaceutical preparations and food supplements able to strengthen the natural body defenses and to relieve symptoms of allergy affecting the respiratory tract" under Class 05.

The marks are shown below:

RETACNYL

Opposer's trademark

REACTYL

Respondent-Applicant's mark

This Bureau noticed that the products covered by the marks have different preparations. Designated as REACTYL, Respondent-Applicant's products are food supplements. Opposer's products covered under RETACNYL are hygienic products,

baby foods, disinfectants, fungicides and herbicides. However, confusion is likely in this instance because of the close resemblance between the marks and that the goods are both pharmaceutical preparations. REACTYL appears and sounds almost the same as Opposer's trademark RETACNYL. Both marks have three (3) syllables with the same first two letters "RE" and ending with the same two letters "YL". Respondent-Applicant merely replaced the letter "N" in Opposer's trademark RETACNYL with the letter "T" and deleted Opposer's third letter "T" to come up with the mark REACTYL. 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. 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. 4-2010-011715 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, 12 JUL 2016.


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

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.)

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