THERAPHARMA, INC., Opposer, **-versus-** **SUHITAS PHARMACEUTICALS, INC.,** Respondent- Applicant.	}	**IPC No. 14-2012-00054** Opposition to: Appln. Serial No. 4-2011-012160 Date Filed: 10 October 2011 **TM: "HYCORT"**

NOTICE OF DECISION

OCHAVE & ESCALONA
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SUHITAS PHARMACEUTICALS, INC.
c/o MARYLOU S. PAGANA
For Respondent- Applicant
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GREETINGS:

Please be informed that Decision No. 2016 - 270 dated July 28, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 28, 2016.

For the Director:

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

THERAPHARMA, INC.,	}	**IPC No. 14-2012-00054**
Opposer,	}	
	}	**Opposition to:**
-versus-	}	**Application No. 4-2011-012160**
	}	**Date Filed: 10 October 2011**
	}	**Trademark: "HYCORT"**
SUHITAS PHARMACEUTICALS, INC.	}	
Respondent-Applicant.	}	
x----------x		*Decision No. 2016-* 270

DECISION

THERAPHARMA, INC.[1] ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-012160. The application, filed by SUHITAS PHARMACEUTICALS, INC.[2] ("Respondent-Applicant"), covers the mark "HYCORT" for use on "*pharmaceuticals (corticosteroid)*" 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 trademark 'HYCORT' owned by Respondent-Applicant so resembles the trademark 'HISTACORT' owned by Opposer and duly registered with this Honorable Bureau prior to the publication for opposition of the mark 'HYCORT'.

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

"9. The registration of the mark 'HYCORT' 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:

xxx

[1] A 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.

[2] A domestic corporation with principal office address at 3rd Floor Centerpoint Building, Pasong Tamo corner Export Bank Drive, Makati City.

[3] The 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.

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"10. 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:

"11. Opposer, the registered owner of the trademark 'HISTACORT'.

"11.1. Opposer is engaged in the marketing and sale of a wide range of pharmaceutical products. The trademark application for the trademark 'HISTACORT' was filed with the Philippine Patent Office on 09 November 1982 by Opposer and was approved for registration on 9 February 1987 to be valid for a period of twenty (20) years, or until 9 February 2007. A certified true copy of the Certificate of Registration No. 36642 for the trademark 'HISTACORT' is hereto attached x x x

"11.2. Before the expiration of the registration, Opposer filed an application for renewal, which was accordingly granted to be valid for another period of ten (10) years from 9 February 2007, or until 9 February 2017. A certified true copy of the Certificate of Renewal of Registration No. 36642 is hereto attached x x x

"11.3. Thus, the registration of the trademark 'HISTACORT' subsists and remains valid to date.

"12. The trademark 'HISTACORT' has been extensively used in commerce in the Philippines.

"12.1. Opposer has dutifully filed Affidavits of Use pursuant to the requirement of law to maintain the registration of the trademark 'HISTACORT' in force and effect. Certified true copies of the Affidavits of Use filed are hereto attached x x x.

"12.2. A sample product label bearing the trademark 'HISTACORT' actually used in commerce is hereto attached x x x.

"12.3. In order to legally market, distribute and sell this pharmaceutical preparation in the Philippines, Opposer registered the product with the Food and Drug Administration ('FDA'). A certified true copy of the Certificate of Product Registration No. 001546 issued by the FDA is hereto attached x x x

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

"14. 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.'

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

"15.1. 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.

"15.1.1. In fact, in Societe' Des Produits Nestle', S.A. vs. Court of Appeals (356 SCRA 207, 216,) the Supreme Court, citing Ethepa v. Director of Patents 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.'

"15.1.2 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."

"15.1.3 Relative thereto, the Supreme Court in McDonalds' Corporation vs. L.C. Big Mak Burger, Inc. [437 SCRA 10] held:

x x x

"15.1.4. 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.'

"15.1.5. 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.' x x x

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

"15.1.6.1. Respondent-Applicant's mark 'HYCORT' appears and sounds almost the same as Opposer's trademark 'HISTACORT'.

"15.1.6.2. The first letter and the last four letters of Respondent-Applicant's mark 'HYCORT' is exactly the same with Opposer's trademark 'HISTACORT'.

"15.1.7. Clearly, Respondent-Applicant's mark 'HYCORT' adopted the dominant features of the Opposer's trademark 'HISTACORT'.

"15.1.8. As further ruled by the High Court in the McDonald's case [p. 33]

x x x

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

x x x

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

"15.3. Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed mark 'HYCORT' is applied for the same class and goods as that of Opposer's trademark 'HISTACORT' under Class 05 of the International Classification of Goods as pharmaceutical product.

"15.4. Yet, Respondent-Applicant still filed a trademark application for 'HYCORT' despite its knowledge of the existing trademark registration of 'HISTACORT', which is confusingly similar thereto in both its sound and appearance, to the extreme damage and prejudice of Opposer.

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

x x x

"15.6. When, as in the present case, one applied 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

"16. To allow Respondent-Applicant to continue to market its products bearing the mark 'HYCORT' undermines Opposer's right to its trademark 'HISTACORT'. As the lawful owner of the mark 'HISTACORT', 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.

"16.1 Being the lawful owner of 'HISTACORT', 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.

"16.2 By virtue of Opposer's ownership of the trademark 'HISTACORT', 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.

"16.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks which the Supreme Court cited in McDonald's Corporation, McGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc., 147 SCRA 268 (2004), it is evident that the mark 'HYCORT' is aurally confusingly similar to Opposer's mark 'HISTACORT'.

x x x

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

"17. The registration and use of Respondent-Applicant's confusingly similar mark 'HYCORT' on its goods will enable the latter to obtain benefit from Opposer's reputation, goodwill and advertising and will tend to deceive and/or confuse the public into believing that Respondent-Applicant is in any way connected with the Opposer.

"17.1. 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.'

"17.2. 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]).

"17.3. Applying the foregoing to the instant case, to allow Respondent-Applicant to use its mark 'ATVAS' 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 'AMVASC' product of Opposer, when such connection does not exist.

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

x x x

"17.5. 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 the Opposer, which should not be allowed.

"18. In case of grave doubt, the rule is that, '[a]s between a newcomer] who by confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer [Respondent-Applicant] inasmuch as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.' [Bracketed supplied] (Del Monte Corporation, et. al. vs. Court of Appeals, 181 SCRA 410, 420 [1990])

"18.1. In American Wire & Cable Co., vs. Director of Patents (supra, p. 551), it was observed that:

x x x

"18.2. When, as in the instant case, Respondent-Applicant used, without a reasonable explanation, a confusingly similar, if not at all identical, trademark as that of Opposer 'though the field of its selection was so broad, the inevitable conclusion is that it was done deliberately to deceive.' (Del Monte Corporation, et. al. vs. Court of Appeals, supra, p. 419-420).

"19. Respondent-Applicant's use of the mark 'HYCORT' 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 'HISTACORT, will take unfair advantage of, dilute and diminish the distinctive character or reputation of the latter mark. 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 'HYCORT'. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent-Applicant of the mark 'HYCORT'. The denial of the application subject of this opposition is authorized under the IP Code.

"20. In support of the foregoing, the instant Notice of Opposition is herein verified by Mr. John E. Dumpit, which will likewise serves as his affidavit (Nasser v. Court of Appeals, 191 SCRA 783 [1990]).

The Opposer's evidence consists of copies of pertinent pages of the IPO E-Gazette released on 02 January 2012; copies of the Certificate of Registration and Certificate of Renewal of Registration for the trademark HISTACORT; a copy of the

Affidavits of Use filed by Opposer for the mark 'HISTACORT'; a sample of product label bearing the trademark HISTACORT; and a copy of the Certificate of Product Registration issued by the Food and Drug Administration for the brand name HISTACORT .[4]

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 14 February 2012. Said Respondent-Applicant, however, did not file an Answer.

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

Thus, 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 10 October 2011, the Opposer has an existing trademark registration for the mark HISTACORT under Certificate of Registration No. 4-1982-36642 issued on 09 February 1987. The registration covers anti-allergic drug under Class 05. On the other hand, Respondent-Applicant's trademark application for the mark HYCORT covers pharmaceuticals (corticosteroid) under Class 05.

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

Histacort	HYCORT
Opposer's trademark	*Respondent-Applicant's mark*

[4]Marked as Exhibits "A" and "H".

This Bureau finds that confusion or deception is unlikely to occur at this instance. Although both pharmaceutical products have the same last syllable "CORT", Opposer can not exclusively appropriate the suffix "CORT" as "CORT" is derived from CORTICOSTEROID, any of various adrenal-cortex steroids (as costicosterone, costisone, and aldosterone) used medically especially as anti-inflammatory agents.[5] Hence, this Bureau cannot sustain the opposition solely on the ground that both marks contain or end with "CORT". To do so would have the unintended effect of giving the Opposer exclusive right over the suffix "CORT". To determine whether two marks that contain the suffix "CORT" are confusingly similar, there is a need to examine the other letters or components of the trademarks. In this regard, when the syllable "HY" is appended to "CORT", the resulting mark when pronounced can be distinguished from HISTACORT.

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.[6] This Bureau finds that the Respondent-Applicant's mark sufficiently serves this function.

WHEREFORE, premises considered, the instant Opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2011-012160 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 28 JUL 2016.

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

[5] Merriam-Webster dictionary definition of CORTICOSTEROID.
[6] Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.