

BIOFEMME, INC.,

*Opposers,*

- versus -

EON PHARMATEK INC.,

*Respondent-Applicant.*

X-----X

IPC NO. 14-2014-00515

Appln. No. 4-2013-005682

Date Filed: 17 May 2013

TM - "KLINDAC"

## NOTICE OF DECISION

### OCHAVE & ESCALONA

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No. 66 United Street

Mandaluyong City

### EON PHARMATEK, INC.,

*Respondent-Applicant*


No. 17, 3<sup>rd</sup> Street, Bo. Kapitolyo

Pasig City

### GREETINGS:

Please be informed that Decision No. 2016 - 365 dated October 11, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 11, 2016.

  
MARILYN F. RETUTAL  
IPRS IV

Bureau of Legal Affairs

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BIOFEMME, INC.

Opposer,

-versus-

EON PHARMATEK, INC.

Respondent-Applicant.

x-----x

IPC No. 14-2014-00515

Opposition to:

Application No. 4-2013-005682

Date Filed: 17 May 2013

Trademark: "KLINDAC"

Decision No. 2016- 365

## DECISION

BIOFEMME, INC.<sup>1</sup> ("Opposer") filed an opposition to Trademark Application Serial No. 4-2013-005682. The application, filed by Eon Pharmatek, Inc.<sup>2</sup> ("Respondent-Applicant"), covers the mark "KLINDAC" for use on "*pharmaceuticals-antibacterial gel, cream, lotion, solution, soap, capsule, tablet, suspension*" under Class 05 of the International Classification of Goods and Services.<sup>3</sup>

The Opposer alleges:

### "<sup>x    x    x</sup> GROUND<sup>x</sup>S FOR OPPOSITION"

"The grounds for this Verified Notice of Opposition are as follows:

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

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

"9. The registration of the mark 'KLINDAC' in the name of Respondent-Applicant will violate Sec. 123.1 (d) of the IP Code, which provides, in part, that a mark cannot be registered if it:    x x x

"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

<sup>1</sup> A domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 2<sup>nd</sup> Floor Bonaventure Plaza, Ortigas Avenue, Greenhills, San Juan, Mandaluyong, Metro Manila, Philippines.

<sup>2</sup> With address at No. 17, 3<sup>rd</sup> Street, Bo. Kapitolyo, Pasig City, Metro Manila, Philippines..

<sup>3</sup> 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.



mark applied for nearly resembles a registered mark that confusion or deception in the mind of the purchasers will likely result.

"11. Respondent-Applicant's use and registration of the mark "KLINDAC" will diminish the distinctiveness of Opposer's trademark 'KLINDEX'.

"ALLEGATIONS IN SUPPORT OF THE OPPOSITION

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

"12. Opposer is engaged in the marketing and sale of a wide range of pharmaceutical products and is the registered owner of the trademark 'KLINDEX'.

"12.1 The trademark application for the trademark 'KLINDEX' was filed with the IPO on 11 July 2006 by Opposer and was approved for registration on 30 April 2017 to be valid for a period of ten (10) years, or until 30 April 2017. A certified true copy of Certificate of Registration No. 4-2006-007455 for the trademark 'KLINDEX' is attached hereto x x x

"12.5. Thus, the registration of the trademark 'KLINDEX' subsists and remains valid to date.

"13. The trademark 'KLINDEX' owned by Opposer has been extensively used in commerce in the Philippines.

"13.1. Opposer has dutifully filed Declarations of Actual Use to maintain the registration of the trademark "KLINDEX" in force and effect pursuant to the requirement of the law. Certified true copies of the Declarations of Actual Use are attached hereto x x x.

"13.2. In order to legally market, distribute and sell this pharmaceutical preparation in the Philippines, the product has been registered with the Food and Drug Administration. As evidence of such registration a certified true copy of the Certificate of Product Registration No. DRP-2678 is attached hereto x x x

"13.3. A sample of product label bearing the trademark "KLINDEX" actually used in commerce is hereto attached x x x.

"13.4. 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 one hundred (100) countries, acknowledged and listed the brand 'KLINDEX' as one of the leading brands in the Philippines in the category of 'J01F Macrolides and Similar Type' in terms of market share and sales performance. The original copy of the Certification and sales performance issued by the IMS is attached hereto x x x

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



"15. 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'

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

"16.1. 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.

"16.1.1. 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."

"16.1.2. 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."

"16.1.3. 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

"16.1.4. 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.'

"16.1.5. 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

"16.1.6. Thus, applying the dominancy test in the instant case, it can be readily concluded that the mark 'KLINDAC', owned by Respondent-Applicant, so resembles Opposer's trademark 'KLINDEX'.



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

"16.1.6.1. Respondent-Applicant's mark 'KLINDAC' appears and sounds almost the same as Opposer's trademark 'KLINDEX'.

"16.1.6.2. The first five (5) letters in Respondent-Applicant's mark 'K-L-I-N-D-A-C' is Opposer's trademark 'K-L-I-N-D-E-X'.

"16.1.6.3. Both marks are composed of two (2) syllables, i.e., Respondent-Applicant's mark KLIN/DAC and Opposer's mark KLIN/DEX.

"16.1.6.4. Both marks are composed of seven letters.

"16.1.6.5. Notably, the only difference between the two marks is the last two (2) letters of the marks, which by itself would not be sufficient to eliminate the possibility of confusion between the two marks.

"16.1.7. Clearly, Respondent-Applicant's mark 'KLINDAC' adopted the dominant features of the Opposer's trademark 'KLINDEX'.

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

x x x

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

x x x

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

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

"16.4. Nevertheless, Respondent-Applicant still filed a trademark application for 'KLINDAC' despite its knowledge of the existing trademark application of 'KLINDEX', which is confusingly similar thereto in both its sound and appearance, to the extreme damage and prejudice of Opposer.

"16.5. 'x x x 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'

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

x x x

"16.7. Clearly, applying the foregoing, the denial of the trademark application is in due course, more so, as the goods covered by the said trademark application are in the same class as that covered by Opposer's trademark 'KLINDEX'.

"17. To allow Respondent-Applicant to market its products bearing the mark 'KLINDAC' undermines Opposer's right to its trademark 'KLINDEX'.

"17.1 Being the lawful owner of 'KLINDEX', Opposer has the exclusive right to use and/or appropriate the said trademark 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.

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

"17.3 Moreover, following the illustrative list of confusingly similar sounds in trademarks cited in the McDonald's Corporation case (supra, p. 34[2004]), it is evident that the mark 'KLINDAC' is aurally confusingly similar to Opposer's trademark 'KLINDEX':

x x x

"17.4 Further, the fact that Respondent-Applicant seeks to have its mark 'KLINDAC' registered in the same class (Nice Classification 05) as Opposer's trademark 'KLINDEX' will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

"18. The registration and use of Respondent-Applicant's confusingly similar mark 'KLINDAC' 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 the Opposer.

"18.1. 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.'

"18.2. 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]).

"18.3. Applying the foregoing to the instant case, to allow Respondent-Applicant to use its mark 'KLINDAC' 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 with a mark 'KLINDAC' originated from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'KLINDEX' product of Opposer, when such connection does not exist.

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

x x x

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

"19. Respondent-Applicant's use of the mark 'KLINDAC' 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 'KLINDEX', will undermine the distinctive character or reputation of the latter trademark. 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 'KLINDAC'.

"20. 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 inasmuch as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.' (*Del Monte Corporation, et. al. vs. Court of Appeals*, 181 SCRA 410, 420 [1990])

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

"20.2. When, a newcomer used, without a reasonable explanation, a confusingly similar, if not at all identical, trademark as that of another '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 [1990]).

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

"22. In support of the foregoing, the instant Notice of Opposition is herein verified by Mr. Herman T. Esling, which will likewise serve as his affidavit (Nasser v. Court of Appeals, 191 SCRA 783 [1990]).

The Opposer's evidence consists of a copy of the IPO E-Gazette officially released on 20 October 2014; copy of the Certificate of Registration No. 4-2006-007455 for the trademark "KLINDEX"; copies of the Declarations of Actual Use for the trademark 'KLINDEX'; copy of the Certificate of Product Registration No. DRP-2678 for the brand name 'KLINDEX'; a sample product label bearing the trademark "KLINDEX"; and copy of the Certification and sales performance issued by the IMS listing the brand 'KLINDEX' as one of the leading brands in the Philippines.<sup>4</sup>

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 16 December 2014. Said Respondent-Applicant, however, did not file an Answer.

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

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;"

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.

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<sup>4</sup> Marked as Exhibits "A" to "G".



Records show that at the time the Respondent-Applicant filed its trademark application on 17 May 2013, the Opposer has an existing trademark registration for the mark KLINDEX under Certificate of Registration No. 4-2006-007455 issued on 30 April 2007. The registration covers anti-infective pharmaceutical preparations in Class 05. This Bureau noticed that the goods indicated in the Respondent-Applicant's trademark application, i.e. pharmaceuticals anti-bacterial gel, cream, lotion, solution, soap, capsule, tablet, suspension under Class 05, are closely-related to the Opposer's.

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

**Klindex**

**KLINDAC**

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 closely-related as they anti-bacterial or anti-infective pharmaceutical preparations. Respondent-Applicant's mark KLINDAC adopted the dominant features of Opposer's mark KLINDEX. KLINDAC appears and sounds almost the same as Opposer's trademark KLINDEX. Both marks have the same number of letters and syllables: /KLIN/DEX for Opposer's and /KLIN/DAC for Respondent-Applicant's. The first five (5) letters of both marks are the same: K-L-I-N-D. Respondent-Applicant merely changed the last two letters "E" and "X" in Opposer's KLINDEX with the letters "A" and "C" to come up with the mark KLINDAC. 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"<sup>5</sup>, "SAPOLIN" and "LUSOLIN"<sup>6</sup>, "CELDURA" and "CORDURA"<sup>7</sup>, "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.<sup>8</sup>

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

<sup>6</sup> *Sapolin Co. v. Balmaceda and Germann & Co.*, 67 Phil. 705.

<sup>7</sup> *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.)

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

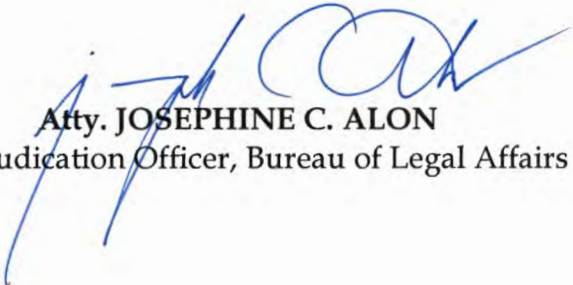
It is emphasized that the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public 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.<sup>9</sup> 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. 4-2013-00005682 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, 11 OCT 2016.

  
Atty. JOSEPHINE C. ALON  
Adjudication Officer, Bureau of Legal Affairs

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<sup>9</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepe 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).