

NATRAPHARM INC.,
Opposer,

-versus-

ZUNECA INCORPORATED,
Respondent- Applicant.

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IPC No. 14-2014-00528
Opposition to:
Application No. 4-2014-00011000
Date Filed: 03 September 2014
Trademark: "ZULNAP"

NOTICE OF DECISION

FEDERIS & ASSOCIATES LAW OFFICES

Counsel for the Opposer
Suite 2005 88 Corporate Center
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Makati City

ZUNECA INCORPORATED

Respondent-Applicant
86 K-6th Street, East Kamias
Quezon City

GREETINGS:

Please be informed that Decision No. 2016 - 375 dated October 13, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 13, 2016.

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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NATRAPHARM, INC.,
Opposer,

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ZUNECA INCORPORATED,
Respondent-Applicant.

x-----x

IPC NO. 14-2014-00528

Opposition to:
Appln. Ser. No. 4-2014-0011000
Filing Date: 03 September 2014
Trademark: **ZULNAP**

Decision No. 2016 - 375

DECISION

NATRAPHARM, INC.,¹ ("Opposer") filed an Opposition to Trademark Application No. 4-2014-0011000. The application, filed by ZUNECA INCORPORATED² ("Respondent-Applicant") covers the mark **ZULNAP** for use on "*pharmaceutical products for treatment of insomnia*" under Class 05 of the International Classification of goods³.

The Opposer alleges the following grounds:

"a. ZULNAP is confusingly similar and/or nearly identical to Opposer's earlier registered trademark, ZYNAPSE. Hence, under Section 123.1 (d) and Section 147.1 of the IP Code, ZULNAP is no longer registration eligible.

"b. Confusing similarity between ZULNAP and ZYNAPSE presents a dangerous kind of public confusion. While under 123.1 (g) the likelihood of confusion prevents registration of ZULNAP, the confusion involved is one which results in the continuing problem of medicine switching whereby patients needing ZYNAPSE will erroneously ingest ZULNAP medicine and vice-versa, and thus, there is more urgency to deny the registration of ZULNAP.

"c. ZULNAP for goods falling in Class 05 will dilute and whittle away the famousness of the ZYNAPSE mark, which has already been sold in millions of pesos in the Philippines. It should not be allowed registration to prevent Trademark Dilution as defined in *Levi Strauss & Co. & Levi Strauss (Phils.) Inc. vs. Clinton Apparelle, Inc.*"

¹ A corporation duly organized and existing under the laws of the Philippines with principal office located at Km. 18 West Service Road, South Luzon Expressway, Parañaque City.

² A domestic corporation with office address at 86 K-6th Street, East Kamias, Quezon City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on the 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 Purpose of the Registration of Marks concluded in 1957.

The Opposer's evidence consists of the following:

1. Exhibit "A" - Affidavit of Christina L. Ravelo;
2. Exhibit "B" - Corporate Secretary's Certificate executed by Rudi P. Runes, Jr.;
3. Exhibit "C" - Photographs of Natrapharm, Inc.'s ZYNAPSE products;
4. Exhibits "D" to "D-3" - Audited Financial Statements of Natrapharm, Inc. from 2010-2013;
5. Exhibits "E" - Printout of Opposer's website found at www.natrapharm.com;
6. Exhibit "F" - Affidavit of Jan Abigail Ponce;
7. Exhibit "G" - Certificate of Trademark Registration No. 4-2007-05596 for ZYNAPSE issued on 24 September 2007;
8. Exhibit "H" - A copy of the Handbook on Pharmacovigilance;
9. Exhibit "I" - Affidavit of Christina Ravelo;
10. Exhibit "J" - Certified true copy of the Articles of Incorporation of Natrapharm, Inc.;
11. Exhibit "K" - Printout of www.natrapharm.com;
12. Exhibit "L" - Certified true copy of Registration No. 4-2007-005596;
13. Exhibits "M" to "M-4" - Certified true copies of Product Registrations issued by the BFAD for ZYNAPSE;
14. Exhibits "N" to "N-4" - Samples of each ZYNAPSE variants;
15. Exhibits "N-5" to "N-8" - Sales Receipts covering purchase of ZYNAPSE products;
16. Exhibits "O" to "O-9" - marketing and advertising materials of ZYNAPSE;
17. Exhibit "P" - List of Natrapharm marketing events and gathering;
18. Exhibits "Q" and "Q-1" - Photographs taken during marketing events and gathering of Opposer;
19. Exhibit "R" - places and establishment in the Philippines where ZYNAPSE are being sold;
20. Exhibit "S" - Database printout of the sales of ZYNAPSE nationwide in 2008; and
21. Exhibit "T" - Certified true copy of Opposer's Audited Financial Statement;

This Bureau issued on 02 February 2015 a Notice to Answer and served to the Respondent-Applicant's address on 12 February 2015. The Respondent-Applicant, however, did not file the Answer. Accordingly, pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended, the case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer.

Should the Respondent-Applicant be allowed to register the mark **ZULNAP**?

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

SECTION 123. Registrability. — 123.1. A mark cannot be registered if it:

- 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;

The records show that at the time the Respondent-Applicant filed its application for the mark ZULNAP on 03 September 2014, the Opposer already has an existing registration for the trademark ZYNAPSE issued on 24 September 2007. Thus, as between Opposer and Respondent-Applicant, the former has priority right over the latter. Also, the Opposer's mark ZYNAPSE is used on "*medicinal preparation for use as antibacterial*" under Class 05 while that of Respondent-Applicant's is used on "*pharmaceutical preparation for treatment of insomnia*" also under Class 05. The goods, therefore, are used on similar or closely related goods.

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

ZYNAPSE

Opposer's Mark

ZULNAP

Respondent-Applicant's Mark

A comparison of the competing marks shows that they resemble each other as they contain almost the same letters. Opposer's mark consist of the letters "Z-Y-N-A-P-S-E" while that of Respondent-Applicant's consists of the letters "Z-U-L-N-A-P". Respondent-Applicant dropped the letter "Y" and replace it with "UL" and omitted the letters "SE" in Opposer's mark to form the mark ZULNAP. The slight difference in the composition of letters, however, did not obliterate the appreciable similarities between the two marks so as to avoid the likelihood of confusing one for the other. Both marks are also written in plain uppercase letters. Since the marks are mere word marks written in plain printed font and contains no other feature, there is nothing that could help the consumers distinguish one from the other.

Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to cause him to purchase the one supposing it to be the other⁴. Colorable imitation does not mean such similitude as amounts to identify, nor does it require that all details be literally copied. Colorable imitation refers to such similarity in form, context, words, sound, meaning, special arrangement or general appearance of the trademark or trade name with that of

⁴ See *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 Apr. 2001, 356 SCRA 207, 217.

the other mark or trade name in their over-all presentation or in their essential, substantive and distinctive parts as would likely to mislead or confuse persons in the ordinary course of purchasing the genuine article⁵.

Aside from the similarities in appearance, the competing marks also sound the same. Trademarks are designed not only for the consumption of the eyes, but also to appeal to the other senses, particularly, the faculty of hearing. Thus, when one talks about the Opposer's trademark or conveys information thereon, what reverberates is the sound made in pronouncing it. The same sound is practically replicated when one pronounces the Respondent-Applicant's mark. There is no doubt that Opposer's and Respondent-Applicants marks are confusingly similar.

Similarity of sound is sufficient ground to rule that two marks are confusingly similar when applied to merchandise of same descriptive properties. In fact, the Supreme Court has in many cases took into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity. In *Marvex Commercial Co., Inc. v Petra Hawpia & Co., et al.*⁶, the Court held:

The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, *Unfair Competition and Trade Marks*, 1947, Vol. 1, will reinforce our view that "SALONPAS" and "LIONPAS" are confusingly similar in sound: "Gold Dust" and "Gold Drop"; "Jantzen" and "Jass-Sea"; "Silver Flash" and "Supper Flash"; "Cascarete" and "Celborite"; "Celluloid" and "Cellonite"; "Chartreuse" and "Charseurs"; "Cutex" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and "Femetex"; "Zuso" and "Hoo Hoo." Leon Amdur, in his book "Trade-Mark Law and Practice," pp. 419-421, cites [sic], as coming within the purview of the idem sonans rule, "Yusea" and "U-C-A," "Steinway Pianos" and "Steinberg Pianos," and "Seven-Up" and "Lemon-Up." In *Co Tiong vs. Director of Patents*, this Court unequivocally said that "Celdura" and "Condura" are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 that the name "Lusolin" is an infringement of the trademark "Sapolin," as the sound of the two names is almost the same.

Furthermore, the goods upon which the marks are used are also similar and/or closely related. Both marks are used on pharmaceutical preparations for treatment of a disease or disorder which belong to Class 05. Because of the similarity of the marks and of the goods, there is likelihood that the purchasers will likely be confused, mistaken or deceived into believing that Respondent-Applicant's mark is just a variation of the Opposer's mark or that the goods of the Respondent-Applicant was sourced, manufactured or originated from Opposer's or vice-versa.

Finally, 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

⁵ See *Emerald Garment Manufacturing Corp. v. Court of Appeals*. G.R. No. 100098, 29 Dec. 1995.

⁶ G.R. No. L-19297. December 22, 1966 cited in *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993. August 18, 2004.


and sale of an inferior and different article as his product.⁷ Respondent-Applicant's mark does not meet this function.

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2014-0011000, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, **13 OCT 2016**


MARLITA V. DAGOSA
Adjudication Officer
Bureau of Legal Affairs

⁷See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.