



NOVATIS AG,

Opposers,

- versus -

SUHITAS PHARMACEUTICALS, INC.,
Respondent-Applicant.

X-----X

} IPC No. 14-2012-00052
}
} Opposition to
} Appln. No. 4-2011-012163
} Date Filed: 10 October 2011

} TM – “DUOTAK”
}
}
}
}
}

NOTICE OF DECISION

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GREETINGS:

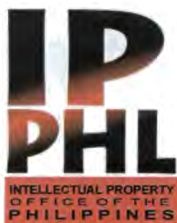
Please be informed that Decision No. 2016 - 354 dated October 07, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 07, 2016.

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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SUHITAS PHARMACEUTICALS, INC.,

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IPC No. 14-2012-00052

Opposition to:

Application No. 4-2011-012163

Date Filed: 10 October 2011

Trademark: "DUOTAK"

Decision No. 2016- 354

DECISION

NOVARTIS AG¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-012163. The application, filed by Suhitas Pharmaceuticals Inc.² ("Respondent-Applicant"), covers the mark "DUOTAK" for use on "*pharmaceuticals (antibacterial)*" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x "III. LEGAL GROUNDS FOR THE OPPOSITION

"12. The registration of the 'DUOTAK' mark in favor of Respondent-Applicant violates Section 123.1 (d) and (e) of Republic Act 8293, otherwise known as the Intellectual Property Code of the Philippines ('IP Code') as amended, to wit:

x x x

"13. Further, in Sec. 134 of the IP Code:

x x x

"14. As registrant, Opposer is the owner of the DUOTRAV mark. As such, it has in its favor, the rights conferred by Sec. 147 of the IP Code.

x x x

"15. Even as Opposer is a foreign national, it is entitled to the benefits granted under Section 3 of the IP Code, which provides:

x x x

"16. The Philippines and Switzerland are parties to the Paris Convention for the Protection of Industrial Property and the WTO TRIPS Agreement. The Convention provides:

¹ A foreign corporation duly organized and existing under and by virtue of the laws of Switzerland with business address at CH-4002, Basel, Switzerland.

² With address at 3F Centerpoint Bldg., Pasong Tamo cor. 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.

x x x

"17. Concomitantly, Opposer's 'DUOTRAV' mark, in addition to being registered in the Philippines, is also a well-known and world-renowned mark, such that the registration of Respondent-Applicant's 'DUOTAK' mark will constitute a violation of Articles 6bis and 10bis of the Paris Convention in conjunction with Sections 3, 123.1 (d) and (e), and 147 of the IP Code.

"18. As registrant and owner of the mark, Opposer is therefore entitled to protection against damage in the form of confusion of reputation and/or goodwill in the mind of the public, as well as confusion of goods. The exclusive right to use the mark necessitates the exercise of the right to prevent the unauthorized use by third parties, of a confusingly similar mark.

"19. In determining similarity and likelihood of confusion, jurisprudence has developed two tests - the Dominancy Test and the Holistic Test.

"20. The Dominancy Test focuses on the similarity of the prevalent, or dominant features of the competing trademarks that might cause confusion, mistake, and deception in the mind of the purchasing public. Duplication or imitation is not necessary; neither is it required that the mark sought to be registered suggests an effort to imitate.

"21. In contrast, the Holistic Test or Totality Test requires a consideration of the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity. The discerning eye of the observer must focus not only on the predominant words, but also on the other features appearing on both labels, so that the observer may draw conclusion on whether one is confusingly similar with the other.

"22. Between the two tests, Supreme Court decisions have favored the use of the Dominancy Test. In fact, the Supreme Court pronounced in the case of Societe Des Produits Nestle, that the Dominancy Test is now explicitly incorporated into law, under Section 155 of the IP Code, which states:

x x x

"23. The above provisions, including the insertion of the phrase 'or a dominant feature thereof,' was the result of careful deliberations by members of the Committee on Economic Affairs. Quoted below is an excerpt from the speech of Representative Albertito Lopez, clearly stating the intent of Congress to adopt the Dominancy Test:

x x x

"24. In the case of American Wire & Cable Company vs. Director of Patents and Central Banahaw Industries, the Court declared and explained the rule on likelihood of confusion in relation to the application of the Dominancy Test, to wit:

x x x

"25. Given the pronouncements of the Court in the American Wire & Cable Company case, it eventually ruled that the marks 'DURAFLEX' and 'DYNAFLEX' are confusingly similar.

x x x

"26. The same case referred to the earlier case of Marvex Commercial Co., and The Director of Patents, where the Court held that 'SALONPAS' and 'LIONPAS' are confusingly similar.

x x x

"27. Evidently, the Court has consistently upheld the application of the Dominancy Test in determining confusingly similarity. The Court has taken into account the aural effects of the words and letters contained in the marks in determining the issue of confusing similarity. In the above-quoted Marvex case, it stated, thus:

x x x

"28. Adopting the same approach in the case at bar, it cannot be gainsaid that Respondent-Applicant's DUOTAK mark is confusingly similar to Petitioner's DUOTRAV mark. In most, if not in all of the cases cited above, a common dominant feature exists, namely: 'FLEX' in 'DURAFLEX' and 'DYNAFLEX'; 'PAS' in 'SALONPAS' and 'LIONPAS'; 'GOLD' in 'GOLD DUST' x x x

"29. The fact that the first two syllables of the contending marks in the case are identical, their respective last syllables also sound and appear identical, and that they inarguably, are confusingly similar, and the registration of Respondent-Applicant's DUOTAK mark will likely cause confusion among the relevant consuming public.

"30. The use by Respondent-Applicant of the DUOTAK mark, for the same goods covered by the registration of Opposer's DUOTRAV mark, will not only mislead and/or cause confusion or mistake among the purchasing public, but it will also diminish and dilute the distinctiveness and identity of Opposer's mark, which has been firmly established in the local market by Opposer at great effort and expense.

"31. The goodwill that should inure to Opposer's benefit will be seriously impaired and prejudiced by the registration of Respondent-Applicant's DUOTAK mark. The registration and use of the DUOTAK mark will enable Respondent-Applicant to obtain benefit from Opposer's well-established business name, reputation, and advertising efforts, and will ultimately tend to deceive and confuse the public into believing that Respondent-Applicant's goods and/or products are in any way connected with those of Opposer's.

"32. It is worthy to note, at this point, that a trademark is defined under Sec. 121.1 of the IP Code as 'any visible sign capable of distinguishing the goods (trademark) or service (service marks) of an enterprise.' Further, as defined by the Court in the case of Philip Morris, Inc. vs. Fortune Tobacco Corporation, 'a trademark is any distinctive word, name, symbol, emblem, sign, or device, or any combination thereof, adopted and used by a manufacturer or merchant on his goods to identify and distinguish them from those manufactured, sold or dealt by others.'

"33. The Supreme Court has already expressly recognized the doctrine of trademark dilution. In Levi Strauss & Co. vs. Clinton Apparelle, Inc., it explained that:

x x x

"34. To allow Respondent-Applicant to continue to use its DUOTAK mark, on products similar to Opposer's products, undermines the latter's right to its DUOTRAV mark. As the lawful owner, Opposer is entitled to prevent Respondent-

Applicant from using a confusingly similar mark in the course of trade, not only to thwart the possibility of confusion as to goods, but also to avoid any confusion of business, source, or origin of the goods.

x x x

"35. Applying the foregoing in the instant case, to allow the registration of Respondent-Applicant's DUOTAK mark will likely cause confusion or mistake in the mind of the public, and the purchasers may be led to believe that the products of Respondent-Applicant originate from, or are being manufactured by, or are in any other way associated with Opposer's products.

"36. All told, the registration of Respondent-Applicant's DUOTAK mark will violate Sections 123.1 (d) and (e) of the IP Code. Further, Respondent-Applicant's application must be denied as it will cause damage and irreparable injury to Opposer. It will cause confusing similarity among the relevant consuming public, loss of strength and distinctiveness of the mark, and dilution of Opposer's local and international DUOTRAV mark and/or variations in case of product line and business expansion.

The Opposer's evidence consists of the special power of attorney constituting JG Law as its agents/attorneys in this particular opposition case; a copy of a request for recordal of merger filed with IPOPHL; a copy of Certificate of Registration No. 4-2005-011234 for the trademark DUOTRAV; details of DUOTRAV trademark registrations around the world; the affidavit of Sheldon R. Pontanoe, Associate General Counsel of Novartis AG; and, a copy of the 3rd year DAU filed by Opposer for the trademark DUOTRAV.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 30 April 2012. Said Respondent-Applicant, however, did not file an Answer.

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

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;"

⁴ Marked as Exhibits "A" to "F", inclusive.

- (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 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;

Sec. 134. *Opposition.* - Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.1, file with the Office an opposition to the application. Such opposition shall be in writing and verified by the oppositor or by any person on his behalf who knows the facts, and shall specify the grounds on which it is based and include a statement of the facts relied upon. Copies of certificates of registration of marks registered in other countries or other supporting documents mentioned in the opposition shall be filed therewith, together with the translation in English, if not in the English language. For good cause shown and upon payment of the required surcharge, the time for filing an opposition may be extended by the Director of Legal Affairs, who shall notify the applicant of such extension. The Regulations shall fix the maximum period of time within which to file the opposition.

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.

147.2. The exclusive right of the owner of the well-known mark defined in Subsection 123.1 (e) which is registered in the Philippines, shall extend to goods and services which are not similar to those in respect of which the mark is registered: *Provided*, That use of that 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.

Records show that at the time the Respondent-Applicant filed its trademark application, the Opposer has an existing trademark registration for the mark DUOTRAV under Certificate of Registration No. 4-2005-011234 issued on 15 January 2007. The registration covers ophthalmic pharmaceutical preparations under Class 05. On the other hand, the Respondent-Applicant filed the trademark application subject of the opposition on 10 October 2011.

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

DUOTRAV

DUOTAK

Opposer's trademark

Respondent-Applicant's mark

This Bureau noticed that the products covered by the marks have different preparations. Designated as DUOTAK, Respondent-Applicant's products are pharmaceuticals (antibacterial). Opposer's products covered under DUOTRAV are ophthalmic pharmaceutical preparations. However, confusion is likely in this instance because of the close resemblance between the marks and that the goods are both medicines and pharmaceutical preparations or for human consumption. Both marks have the same prefix DUO and the same number of syllables: /DUO/TRAV for Opposer's and /DUO/TAK for Respondent-Applicant's. 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"⁵, "SAPOLIN" and LUSOLIN"⁶, "CELDURA" and "CORDURA"⁷, "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.⁸

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

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

⁶ *Sapolin Co. v. Balmaceda and Germann & Co.*, 67 Phil, 705.

⁷ *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.)

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

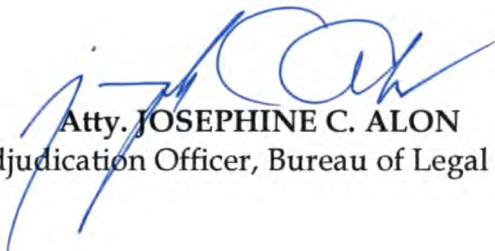
sale of an inferior and different article as his product.⁹ This Bureau finds that the mark applied for registration by the Respondent-Applicant does not meet this function.

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. 4-2011-012163 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, 07 OCT 2016.


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

⁹ *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).