

WESTMONT PHARMACEUTICALS, INC.,
Opposer,

-versus-

NATRAPHARM, INC.,
Respondent- Applicant.

X-----X

IPC No. 14-2011-00202

Opposition to:

Appln. Serial No. 4-2011-001685

Date Filed: 15 February 2011

TM: "LEVOFLOXIN-
NATRAPHARM"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - III dated April 01, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 01, 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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IPC No. 14-2011-00202

Opposition to:
Application No. 4-2011-001685
Date Filed: 15 February 2011
Trademark: "LEVOFLOXIN-
NATRAPHARM"

Decision No. 2016- III

DECISION

WESTMONT PHARMACEUTICALS, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2011-001685. The application, filed by Natrapharm, Inc.² ("Respondent-Applicant"), covers the mark "LEVOFLOXIN-NATRAPHARM" for use on "*pharmaceutical preparations, namely, antibiotic*" 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 opposition are as follows:

"1. The trademark 'LEVOFLOXIN-NATRAPHARM' so resembles 'LEVOX' trademarks owned by Opposer, registered with this Honorable Office prior to the publication for opposition of the mark 'LEVOFLOXIN-NATRAPHARM'. The trademark 'LEVOFLOXIN-NATRAPHARM', which is owned by Respondent, will likely cause confusion, mistake and deception on the part of the purchasing public, most especially considering that the opposed trademark 'LEVOFLOXIN-NATRAPHARM' is applied for the same class of goods as that of trademarks 'LEVOX', i.e. Class (5) used as antibacterial.

"2. The registration of the trademark 'LEVOFLOXIN-NATRAPHARM' in the name of the Respondent will violate Sec. 123 of Republic Act No. 8293, otherwise known as the 'Intellectual Property Code of the Philippines', which provides, in part, that a mark cannot be registered if it:

x x x

¹A corporation duly organized and existing under the laws of the Philippines with principal office located at 4th Floor Bonaventure Building, Greenhills, San Juan City, Philippines.

²A domestic corporation organized and existing under the laws of the Republic of the Philippines with address at The Patriot Building, Km. 18 West Service Road, South Luzon Expressway Paranaque City 1700 Metro Manila.

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.

"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.

"3. Also, the registration of the mark 'LEVOFLOXIN' in the name of the Respondent will violate Sec. 123.1 (h) and (j) of the IP Code, which provides, in part, that a mark cannot be registered if it:

x x x

"4. As provided under the above-quoted provision, any mark, which is similar to a generic and/or descriptive term, shall be denied registration. Thus, considering the mark 'LEVOFLOXIN-NATRAPHARM' owned by Respondent so resembles the generic name 'LEVOFLOXIN', a pharmaceutical drug used as anti-bacterial, Respondent's application for the registration of the mark 'LEVOFLOXIN-NATRAPHARM' should also be denied on this basis.

"ALLEGATIONS IN SUPPORT OF THE OPPOSITION

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

"5. Opposer, the registered owner of the trademark 'LEVOX', is engaged in the marketing and sale of a wide range of pharmaceutical products. The Trademark Application for the trademark 'LEVOX' was filed with the Intellectual Property Office on 15 October 1998 by Opposer and was approved for registration 14 December 2003 and valid for a period of ten (10) years or until 14 December 2013. The Opposer's registration of the 'LEVOX' trademark subsists and remains valid to date. A copy of the Certificate of Registration Number 4-1998-007705 is hereto attached x x x

"6. The trademark 'LEVOX' has been extensively used in commerce in the Philippines.

"6.1 Opposer dutifully filed Declaration of Actual Use pursuant to the requirement of law, to maintain the registration of 'LEVOX' in force and effect. A Copy of the Declaration of Actual Use filed by Opposer is hereto attached x x x

"6.2 A sample product label bearing the trademark 'LEVOX' actually used in commerce is hereto attached x x x

"6.4 In order to legally market, distribute and sell these pharmaceutical preparations in the Philippines, we registered the products with the Food and Drugs Administration (formerly BFAD). A copy of the Certificate of Product Registration issued by the BFAD for the mark 'LEVOX' is hereto attached x x x

"7. There is no doubt that by virtue of the above-mentioned Certificate of Registration, the uninterrupted use of the trademark 'LEVOX', and the fact that they are well known among consumers, the Opposer has acquired an exclusive ownership over the 'LEVOX' marks to the exclusion of all others.

8. 'LEVOFLOXIN-NATRAPHARM' is confusingly similar to 'LEVOX'.

"8.1 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.

"8.1.1 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 side of the spectrum, the holistic test mandates that the entirety of the marks in question must be considered in determining confusing similarity."

"8.1.2 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."

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

x xx

"8.1.4 Applying the dominancy test, it can be readily concluded that the trademark 'LEVOFLOXIN-NATRAPHARM', owned by Respondent, so resembles the trademark 'LEVOX', that it will likely cause confusion, mistake and deception on the part of the purchasing public. Both marks start with the same four letters 'L'- 'E'- 'V'- 'O'.

"8.1.5 Clearly, the Respondent adopted the dominant features of the Opposer's marks 'LEVOX';

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

x x x

"8.2 The trademark 'LEVOX' and Respondent's trademark 'LEVOFLOXIN-NATRAPHARM' are practically identical marks in sound and appearance that they leave the same commercial impression upon the public.

"8.2.1 Thus, the two marks can easily be confused for one over the other, most especially considering that the opposed trademark 'LEVOFLOXIN-NATRAPHARM' is applied for the same class and goods as that of trademark 'LEVOX', i.e. Class (5); antibiotic/antibacterial, to the Opposer's extreme damage and prejudice.

"8.3 Yet, Respondent still filed a trademark application for 'LEVOFLOXIN-NATRAPHARM' despite its knowledge of the existing trademark registration of 'LEVOX' which is confusingly similar thereto in both its sound and appearance.

"9. Moreover, Opposer's intellectual property right over its trademark is protected under Section 147 of Republic Act No. 8293, otherwise known as the Philippine Intellectual Property Code ("IP Code"), which states:

x x x

"10. To allow Respondent to continue to market its products bearing the 'LEVOFLOXIN-NATRAPHARM' mark undermines Opposer's right to its marks. As the lawful owner of the marks 'LEVOX', Opposer is entitled to prevent the Respondent from using a confusingly similar mark in the course of trade where such would likely mislead the public.

"10.1 Being the lawful owner of 'LEVOX', 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.

"10.2 By virtue of Opposer's ownership of the trademark 'LEVOX', it also has the right to prevent third parties, such as Respondent, from claiming ownership over Opposer's marks or any depiction similar thereto, without its authority or consent.

"10.4 To allow respondent to use its 'LEVOFLOXIN-NATRAPHARM' mark on its product would likely cause confusion or mistake in the mind of the public or deceive purchasers into believing that the 'LEVOFLOXIN-NATRAPHARM' products of Respondent originate from or is being manufactured by Opposer, or at the very least, is connected or associated with the 'LEVOX' products of Opposer, when such connection does not exist.

"10.5 In any event, as between the newcomer, Respondent, which by the confusion loses nothing and gains patronage unjustly by the association of its products bearing the 'LEVOFLOXIN-NATRAPHARM' mark with the well-known 'LEVOX' mark, and the first user and actual owner of the well-known mark, Opposer, which by substantial investment of time and resources and by honest dealing has already achieved favor with the public and already possesses goodwill, any doubt should be resolved against the newcomer, Respondent, considering that Respondent, as the latter entrant in the market had a vast range of marks to choose from which would sufficiently distinguish its products from those existing in the market.

"11. By virtue of Opposer's prior and continued use of the trademark 'LEVOX', the same have become well-known and established valuable goodwill to the consumers and the general public as well. The registration and use of Respondent's confusingly similar trademark on its goods will enable the latter to obtain benefit from Opposer's reputation, goodwill and will tend to deceive and/or confuse the public into believing that Respondent is in any way connected with the Opposer.

"12. Likewise, the fact that respondent seeks to have its mark 'LEVOFLOXIN-NATRAPHARM' registered in the same class (Nice Classification 5) as the trademark 'LEVOX' of Opposer plus the fact that both are antibacterials, will undoubtedly add to the likelihood of confusion among the purchasers of these two goods.

"13. As earlier stated, the registration of Respondent's mark 'IRBESAR' will be contrary to Sections 123.1 (h), (i) and (j) of the IP Code. The mark 'LEVOFLOXIN-NATRAPHARM' owned by Respondent so resembles the generic name 'LEVOFLOXACIN' which is incapable of being appropriated.

"3.1. In *Societe' Des Produits Nestle', S.A. vs. Court of Appeals* (356 SCRA 207, 222-223 [2001]), the Supreme Court defined generic and descriptive terms as follows:

"Generic terms are those which constitute 'the common descriptive name of an article or substance,' or comprise the 'genus of which the particular product is a species,' or are 'commonly used as the name or description of a kind of goods,' or 'imply reference to every member of a genus and the exclusion of individuating characters,' or 'refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product,' and are not legally protectable. On the other hand, a term is descriptive and therefore invalid as a trademark if, as understood in its normal and natural sense, it 'forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is,' or 'if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods,' or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination.

"14. Clearly, to allow the registration of Respondent's mark 'LEVOFLOXIN-NATRAPHARM' will violate Section 123.1 (h), (i) and (j) of the IP Code on the ground that such mark is closely related and confusingly similar to 'LEVOFLOXACIN' which is the generic and/or descriptive term of the active ingredient of the kind, quality and intended purpose of goods covered by Respondent's mark; hence cannot be exclusively appropriated and registered as a trademark.

"15. Thus, Opposer's interests are likely to be damaged by the registration and use of the Respondent of the trademark 'LEVOFLOXIN-NATRAPHARM'. In support of the foregoing, the instant Opposition is herein verified by Mr. Renato T. Castaneda which likewise serves as his affidavit (*Nasser v. Court of Appeals*, 191 SCRA 783 [1990]).

The Opposer's evidence consists of a copy of the pertinent pages of the IPO E-Gazette officially released on 18 April 2011; a copy of the Certificate of Registration No. 4-1998-007705 for the trademark "LEVOX"; a copy of the Declaration of Actual Use for the trademark "LEVOX"; sample product label bearing the trademark "LEVOX" actually used in commerce; and a copy of the Certificate of Product Registration issued by the BFAD for the mark "LEVOX".⁴

⁴Marked as Annexes "A" to "E".

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Applicant on 23 June 2011. The Respondent-Applicant filed their Answer on 21 October 2011 and avers the following:

x x x

"SPECIAL AND AFFIRMATIVE DEFENSES

"19. There is no question that the contending goods are medicine, with LEVOX used for anti-bacterial preparation, and LEVOFLOXIN NATRAPHARM used in connection with antibiotic medicine.

"20. Antibiotics are dispensed only via medical prescriptions, issued by licensed doctors of medicine.

"21. Under the circumstances, jurisprudence is clear that there can be no confusing similarity to speak of. Thus, the case of Etepha, which involves the contending trademarks ATUSIN and PERTUSSIN, teaches:

x x x

"22. Etepha merely adheres to the basic principle that there is no likelihood of confusion when the goods of the contending marks are special kinds of goods, not the low-priced commodities which are consumed every day such as food seasoning, soy sauce, candies, catsup, soap, coffee. The rationale for this is that there is no likelihood of confusion as the items are purchased with care.

"23. In the instant case, it is apparent that antibiotics, even antibacterial preparation, are special goods.

"24. Hence, the law will deem that buyers of LEVOFLOXIN NATRAPHARM antibiotics will make sure that they are buying the exact antibiotics and they cannot be careless in doing so because they will be presenting the doctor's prescription that will dictate the specification of the medicine to be bought. Hence, there is little room for confusion to set in, as the prescription and the tendency of the buyer to buy medicine with care, eliminate the likelihood of confusion.

"25. Indeed, there should be no worry about confusion because consumers seeking to buy antibiotics will not look at anti-bacterial preparation, and vice versa. The sale of one will not intersect in any manner with the commerce of the other.

"26. This Opposition thus should be dismissed on the strength of Etepha. To rule otherwise is to defy the Supreme Court, which this Hon. Office cannot do, as it is mandated to follow precedents set forth by the High Court. As held in De Mesa, et al., vs. Pepsi Cola Products Phils. Inc., et al.

x x x

"27. In determining confusing similarity, courts are guided by the following jurisprudential rules:

x x x

"28. Applying the foregoing rules in the instant case, the conclusion is easily reached that LEVOX and LEVOFLOXIN NATRAPHARM are not confusingly similar.

"29. Only three (3) letters are common to each other, namely L-E-V. And there are numerous letters in LEVOFLOXIN NATRAPHARM that are not found in LEVOX. Clearly, there is no visual similarity between the two (2) in their dominant features.

"30. And there is no aural similarity also. As a result of the vast differences in the letters deployed in the contending trademarks, they sound different to each other when uttered.

"31. Opposer will also asseverate that the LEVOFLOXIN in LEVOFLOXIN NATRAPHARM is a copy of the spelling of the generic name of antibacterial preparation, namely, Levofloxacin.

"32. It would thus conclude that in such a case, LEVOFLOXIN NATRAPHARM is therefore a generic mark, because it describes the very nature of the goods, allegedly, antibacterial preparation.

"33. Indeed, in Paragraph 12 of the Verified Notice of Opposition, Opposer would make the bold-faced claim that the products of the contending parties are 'both antibacterials.'

"34. But this is a dishonest argument. It falsely represents that LEVOFLOXIN NATRAPHARM is used on antibacterial preparation.

"35. LEVOFLOXIN NATRAPHARM is used on antibiotics. This is clear from the very face of the Application Serial No. 4-2011-001685, which described the goods of the mark as follows: 'Pharmaceutical preparations, namely antibiotic'.

"36. Hence, assuming that LEVOFLOXIN describes antibacterial medicines, then it should not matter at all because it will not be a generic mark, if it is used on goods which are not antibacterial, such as antibiotics.

"37. Indeed, when used on antibiotics, LEVOFLOXIN becomes distinctive because it does not in any way describe an antibiotic.

"38. Opposer would self-praise LEVOX as popular among consumers. It would therefore insinuate that Respondent-Applicant schemed to take advantage of this popularity, by coming out with LEVOFLOXIN NATRAPHARM which it claims to be confusingly similar to LEVOX.

"39. In the first place, there is no confusing similarity between LEVOX and LEVOFLOXIN NATRAPHARM, as extensively discussed in the preceding paragraphs.

"40. As to the charge that Respondent-Applicant is out to ride on Opposer's goodwill, this is a complete absurdity.

"41. As shown in the 'Allegation of Facts Common to All Defenses', Respondent Applicant is already a very successful company with a track record of successful launches of new products, and thus proving its goodwill and high reputation.

"42. Thus, Exhibit '1' cited above would prove the following:

- "a. Its NATRAVOXA, when first launched, was ranked second biggest product launched in 2004.
- "b. Its MONTEMAX was ranked number 1 on the year the product was launched.
- "c. Its FIXCOM was ranked number five biggest product in the year it was launched.

"43. Therefore, it does not need to copy other brand names for its products. It does not need to ride on the goodwill of any other companies or their products. It already has its own immense goodwill and reputation.

The Respondent-Applicant's evidence consists of the Affidavit of Balthasar P. Gasgonia, Chief Operating Officer and Chief Finance Officer of Natrapharm, Inc.; a copy of the Articles of Incorporation of Natrapharm, Inc.; the Corporate Secretary's Certificate; printout of <http://www.natrapharm.com>; a copy of certificates of Product Registration No. DR-XY36882 issued by Bureau of Food and Drug now known as Food and Drug Authority; actual advertising materials, brochures and posters promoting Respondent-Applicant's business; the Affidavit of Amando S. Aumento, Jr., an associate lawyer of Federis & Associates Law Offices; copy of transcript of stenogrok on pharmacovigilance; list of trademark applications and registrations in the name of Natrapharm, Inc. filed with or issued by the Bureau of Trademarks of the Intellectual Property Office; list of some of marketing events and gatherings and the corresponding dates when held; sample product packaging and product insert; and copy of Opposer's Audited Financial Statement.⁵

Should the Respondent-Applicant be allowed to register the trademark LEVOFLOXIN NATRAPHARM?

Records show that at the time the Respondent-Applicant filed its trademark application on 15 February 2011, the Opposer has an existing trademark registration for the mark LEVOX (Reg. No. 7705). The registration covers "broad-spectrum antibacterial medicinal preparation" under Class 05. On the other hand, the trademark application of Respondent-Applicant covers the mark LEVOFLOXIN-NATRAPHARM for use on "pharmaceutical preparations, namely, antibiotic" under Class 05.

⁵Marked as Exhibits "1" to "13", inclusive.

In this regard, 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
- (h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;
- x x x
- (j) Consists exclusively of signs or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services.

Hence, the question, does LEVOFLOXIN-NATRAPHARM resemble LEVOX such that confusion or deception is likely to occur? The marks are shown below:

Levox

Levofloxin-Natrapharm

Opposer's trademark

Respondent-Applicant's mark

This Bureau finds that confusion or deception is unlikely to occur at this instance. This Bureau noticed that the pharmaceutical products covered by the marks are both antibacterial/antibiotic. Although both have the same prefix LEVO, Opposer can not exclusively appropriate the first two syllables as LEVO is derived from LEVOFLOXACIN, which is a broad-spectrum antibacterial agent that is the levorotatory isomer of ofloxacin.⁶ The use of LEVO may constitute a valid trademark particularly in combination with another word which does not particularize the service or article it pertains, or the nature of the service it offers, as it was in this case. The combination of words and syllables can be registered as trademarks for as long as it can distinguish the goods of a trader from its competitors, although as suggestive mark.

In fact, in the Trademark Registry, the contents of which the Bureau can take cognizance of via judicial notice, there are registered marks covering pharmaceutical preparations or drugs that have the prefix – "LEVO", such as Levocarnil with Reg. No. 12870, Levophed with Reg. No. 1710, Levogastrol with Reg. No. 2338 and Levopront with Reg. No. 3937, which are owned by entities other than the Opposer.

Thus, to determine the issue of whether LEVOFLOXIN-NATRAPHARM should not be registered on the ground that it is confusingly similar to LEVOX, it is imperative

⁶Merriam-Webster dictionary medical definition of LEVOFLOXACIN.


to look into the components or other features of the marks that is/are paired or in combination with LEVO. In this regard, when NATRAPHARM, Respondent-Applicant's trade name, is appended to "LEVOFLOXIN", which is derived from the levorotatory isomer of OFLOXACIN, the resulting mark when read and pronounced can be distinguished from LEVOX.

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.⁷ 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. 4-2011-001685 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 01 April 2016.


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

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