

AVENTISUB II INC., Opposer,

-versus-

IPC No. 14-2014-00253 Opposition to: Appln. No. M/0000/01159949 Date Filed: 20 June 2013 TM: "BELSTYN"

LEO PHARMA A/S, Respondent- Applicant.

### NOTICE OF DECISION

}

}

}

3

}

**CESAR C. CRUZ & PARTNERS** Counsel for the Opposer 30<sup>th</sup> Floor, Ayala Life-FGU Center 6811 Ayala Avenue, Makati City

ROMULO MABANTA BUENAVENTURA SAYOC & DELOS ANGELES Counsel for Respondent-Applicant 21/F Philamlife Tower 8767 Paseo de Roxas, Makati City

## **GREETINGS**:

Please be informed that Decision No. 2017 - 37 dated February 13, 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, February 13, 2017.

f. Kitrifel

MARILYN F. RETUTAL IPRS IV Bureau of Legal Affairs

Republic of the Philippines<br/>INTELLECTUAL PROPERTY OFFICEIntellectual Property Center# 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio,<br/>Taguig City 1634 Philippines •<br/>Mww.ipophil.gov.phT: +632-2386300 • F: +632-5539480 •<br/>mail@ipophil.gov.ph



AVENTISUB II INC.,

Opposer,

-versus-

LEO PHARMA A/S,

Respondent-Applicant. ]

IPC No. 14-2014-00253

Opposition to: Application No.M/0000/01159949 Date Filed: 20 June 2013 Trademark: "BELSTYN"

Decision No. 2017-\_\_\_\_37\_\_\_

## DECISION

**AVENTI SUB II INC.<sup>1</sup> ("Opposer") filed an opposition to Trademark Application** Serial No. M/0000/01159949. The application, filed by Leo Pharma A/S<sup>2</sup> ("Respondent-Applicant"), covers the mark "BELSTYN" for use as "non-medicated skin and hair care preparations; cosmetic preparations, including preparations for the reconditioning of hair and skin after medicinal treatments; medicated soaps; medicated shampoos; artificial fingernails; talcum powders and foundation for the treatment of dermatological disorders, cancer and skin infections; artificial fingernails, for medical use" under Class 03, "pharmaceutical preparations for the treatment of cancer and dermatological, hematological, renal and endocrine disorders; medicated powders, creams, lotions, gels and lip balm for the treatment of dermatological disorders, cancer and skin infections; glues for medical use; medical and wound dressings; dressings for the treatment of dermatological disorders, cancer and skin infections" under Class 05, and "medical apparatus and instruments, including medical devices for applying pharmaceutical preparations and for introducing pharmaceutical preparations into the human body; medical and non-medical devices for the treatment of cancer and dermatological, hematological, renal and endocrine disorders; medical apparatus and units for dosage, measuring and monitoring, including drug introducing devices and systems; medical devices, including devices for measuring body surface area affected by disease; medical devices for the treatment of cancer, dermatological, hematological, renal and endocrine disorders, including biofeedback sensors; microneedles for medical use; containers specially for medical waste and for storage of drugs" under Class 10 of the International Classification of Goods and Services.3

The Opposer alleges:

x x x "IV. "GROUNDS IN SUPPORT OF THIS OPPOSITION

1

Republic of the Philippines INTELLECTUAL PROPERTY OFFICE

Intellectual Property Center # 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio,

Taguig City 1634 Philippines •www.ipophil.gov.ph

T: +632-2386300 • F: +632-5539480 • mail@ipophil.gov.ph

<sup>&</sup>lt;sup>1</sup>A corporation duly organized and existing under the laws of the State of Delaware of the United States of America with principal address at 3711 Kennett Pike, Suite 200, 19807 Greenville, Delaware, United States of America.

<sup>&</sup>lt;sup>2</sup> A foreign corporation with address at Industriparken 55 DK-2750 Ballerup, Denmark..

<sup>&</sup>lt;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.

"10. The Respondent-Applicant's application for the registration of the mark BELSTYN should not be accepted by this Honorable Office since to do so would be contrary to Section 123.1 (d) and Section 123.1 (f) of the Intellectual Property Code, which prohibits the registration of a mark that:

#### ххх

"11. The act of Respondent-Applicant in adopting the mark BELSTYN for its pharmaceutical products in International Class 5 is clearly an attempt to trade unfairly on the goodwill, reputation and consumer awareness of the Opposer's BENTYL mark that was previously registered before this Honorable Office. Such act of the Respondent-Applicant results in the diminution of the value of the Opposer's BENTYL mark.

"12. The Opposer's BENTYL mark is registered in International Class 5, for pharmaceutical products, namely, antispasmodic preparations, identical to the class to which Respondent-Applicant seeks registration for its BELSTYN mark. Further, the Opposer's BENTYL mark is likely to be associated with the Respondent-Applicant's BELSTYN mark leading to consumer confusion.

"13. Goods are closely related when they belong to the same class, or have the same descriptive properties, or when they possess the same physical attributes or characteristics, with reference to their form, composition, texture or quality.

"14. The Respondent-Applicant's mark BELSTYN closely resembles and is very similar to the Opposer's BELSTYN mark that was previously registered in the Philippines and elsewhere in the world. The resemblance of the Opposer's and the Respondent-Applicant's respective marks is most evident upon a juxtaposition of the said marks.

#### ххх

"15. The Opposer's mark BENTYL and the Respondent-Applicant's mark BELSTYN are identical and/or similar, in the following respects to wit:

- "15.1. Both are purely word mark, BENTYL and BELSTYN;
- "15.2. Both marks have two (2) syllables, i.e., 'BEN'-'TYL' and 'BEL'-'STYN';
- "15.3. Both marks uses six (6) similar letters, i.e., 'B', 'E', 'N', 'T', 'Y', and 'L';
- "15.4. The only differences between the marks are the swapping of the positions of letters 'N' and 'L', i.e., BE-'N'-TY-'L' and BE-'L'-STY-'N', and the use by the Respondent-Applicant of the letter 'S' in its mark, i.e., BEL-'S'-TYN. The rest of the letters are the same – and as such, the marks are almost identical;
- "15.5. The Respondent-Applicant's mark and the Opposer's mark are undoubtedly phonetically similar;
- "15.6. Both marks are used for similar goods under Class 5.

"16. Goods bearing the Opposer's mark BENTYL and the Respondent-Applicant's mark BELSTYN are commercially available to the public through the same channels of trade such that an undiscriminating buyer might confuse and interchange the products bearing the Respondent-Applicant's mark BELSTYN for goods bearing the Opposer's mark BENTYL. It is worthy to mention that the relevant consumers affected herein will be the buyers of pharmaceutical products. Naturally, consumers would merely rely on recollecting the dominant and distinct wording of the marks. There is a great similarity and not much difference between the Opposer's mark BENTYL and the Respondent-Applicant's mark BELSTYN. Thus, confusion will likely arise and would necessarily cause the interchanging of one product with the other.

"17. Considering the fact that the goods involved are related and flow through the same channels of trade, the possibility of confusion is more likely to occur in the light of the fact that ordinary consumers, who are prone to self-diagnose illnesses and purchase prescription drugs even without a doctor's prescription, may mistakenly believe that the goods of the Respondent-Applicant is equivalent to, or affiliated with, the Opposer's goods.

"18. The Respondent-Applicant's BELSTYN mark so closely resembles the Opposer's BENTYL mark that the Filipino public will undoubtedly confuse one with the other or worse, believe that goods bearing the Respondent-Applicant's mark BELSTYN originate from the Opposer, or, at least, originate from economically linked undertakings.

"19. In American Wire & Cable Co. v. Director of Patents, 31 SCRA 544, 547-548 (1970), the Supreme Court through Justice J.B.L. Reyes ruled:

ххх

"20. In addition, under the rule of idem sonans, it is clear that there is a confusing aural similarity between the marks. The Supreme Court has held that the mark 'Gold Top is 'aurally' similar to 'Gold Toe'. Furthermore, in McDonalds's vs. L.C. Big Mak, 437 SCRA 10, 34 (2004) citing Marvex Commercial Co., Inc. vs. Petra Hawpia & Co., et al., Phil 295, 18 SCRA 1178 (1966) the Supreme Court held:

ххх

"The only differences between the Respondent-Applicant's mark BELSTYN and the Opposer's BENTYL mark are the swapping of the positions of letters 'N' and 'L', i.e., BE-'N'-TY-'L' and BE-'L'-ST-'N', and the use by the applicant of the letter 'S' in its mark, i.e. BEL-'S'-TYN while the rest of the letters are the same. It cannot be denied that the two marks are aurally similar and would indubitably cause confusion amongst the Filipino consumers.

"21. The Opposer's mark BENTYL is an antispasmodic and anticholinergic (antimuscarinic) agent under International Class 5. Similarly, the goods bearing the Respondent-Applicant's mark BELSTYN designated under International Class 5. The presence of two identical and/or similar pharmaceutical products bearing highly similar trademark which are used to treat the same illnesses will indubitably lead to consumer confusion.

"22. In consonance with public policy, it is the duty of this Honorable Court to protect the Filipino purchasing public by ensuring that there is no confusing similarity involving medicinal products. Unlike ordinary goods, confusion of product between medicinal goods may also arise from as a result of a physician's illegible handwriting, thus the need for further protection. This has been recognized in jurisprudence, notably in Morgenstern Chemical Co. v. G.D. Searle & Co., 253 F. 2d 390 (1958).

"23. In Morgenstern, the United States Court of Appeals ruled that the, obvious similarity in derivation, suggestiveness, spelling, and sound in careless pronunciation, between 'Micturin' and 'Mictine' as applied to pills to be taken by mouth for therapeutic purposes requires the conclusion, in the circumstances of this case, that the defendant has infringed the rights of the plaintiff in its common-law trade name Micturin and should be restrained from further doing so.

"24. Further, in Morgenstern, the Court also noted that it is common knowledge that mistakes or confusion occurring in filling handwritten prescriptions which are not legible. In arriving at this conclusion, the Court of Appeals in Morgenstern appropriately ruled that:

#### $\mathbf{x} \mathbf{x} \mathbf{x}$

"25. The ruling in Morgenstern should squarely be applied in the case at bar. The fact that the medicinal products of the parties are for identical indications highlights the stubborn fact that there exist a possibility of one medicinal product being dispensed for the other medicinal product, which could easily be remedied by requiring clearly dissimilar trademarks in the field of medicinal products. The reputation and goodwill of the Opposer should not be trifled with the talismanic invocation that there is only a remote possibility of confusion. The fact clearly remains that the goods of the parties belong to the same class, are identical, and are available through the same channels of trade. As the Supreme Court in Ang v. Teodoro has aptly stated:

#### xxx

"26. The case of Glenwood Laboratories, Inc. v. American Home Prod. Corp., 455 F. 2d 1384 (C.C.P.A. 1972), aptly illustrates the danger of confusion as regards medicinal products bearing similar marks, ruling that,

ххх

"It is clear from the ruling in Glenwood Laboratories that medicinal products require greater protection because confusion or mistake in filling up a prescription would produce harmful effects. Regardless of the high degree of educational attainment and discernment attained by the physicians prescribing these drugs, it cannot be denied that the purchasing public should be protected from the possible harm that may arise from a confusion of the marks.

"27. Of all the possible combinations of the letters of the alphabet and words, the Respondent-Applicant chose to use the mark BELSTYN to identify the goods in International Class 5, which are in direct competition with the Opposer's goods, also in International Class 5. It cannot be gainsaid that confusion will arise inasmuch as the goods are identical, and they cater to the same kind of purchasers. As pharmaceutical products for the treatment of identical illnesses, both will be found and displayed in hospitals, clinics, and pharmacies, probably side by side, making both products flow through the same channels of trade, thus making the Opposer and the Respondent-Applicant competitors in the same product industry. No conclusion can be drawn surrounding the case other than the fact that the Respondent-Applicant is knowingly and deliberately attempting to trade on the valuable goodwill and to ride on the notoriety of the Opposer's BENTYL mark that has been used throughout the world for several decades including the Philippines.

"28. Clearly, the registration and use of the Respondent-Applicant mark's BELSTYN is a usurpation of the mark BENTYL, a mark legally owned by the Opposer, as well as the goodwill associated therewith and/or passing off its own products, as those manufactured by the Opposer.

4

"28.1. By the Respondent-Applicant's attempt to register and use the mark BELSTYN for its goods in International Class 5, it is plain that the Respondent-Applicant seeks to take advantage of the worldwide and nationwide reputation of the mark BENTYL that the Opposer has gained by ingenious and persistent marketing and the expenditure of considerable sums of money to promote the same, by confusing and misleading the trade and the Filipino public in passing off its own products as those of the Opposer and/or suggesting that they are being sold or are approved by the Opposer.

"29. The registration of the Respondent-Applicant's mark BELSTYN will lead the purchasing public to believe that the goods of the Respondent-Applicant emanate from the Opposer. If the products of the Respondent-Applicant are inferior in quality, there will be grave and irreparable injury to the Opposer's valuable goodwill and to its BENTYL mark. Furthermore, the use and registration of the mark BELSTYN by the Respondent-Applicant will dilute and diminish the distinctive character of the Opposer's BENTYL mark.

"30. The Respondent-Applicant seeks to register the mark BELSTYN which is confusingly similar to the Opposer's EBNTYL mark, as to be likely, when applied to the goods of Respondent-Applicant, to cause confusion, mistake or deception to the Filipino public as to the source of goods, and will inevitably falsely suggest a trade connection between the Opposer and the Respondent-Applicant, is simply violative of the Intellectual Property Code of the Philippines.

"31. The Supreme Court discussed these two types of trademark confusion in Mighty Corporation, et. al. vs. E. & J. Gallo Winery, et. al., G.R. No. 154342, July 14, 2004, 434 SCRA 473, 504, thus:

ххх

"Allowing Respondent-Applicant to use the mark 'BELSTYN' in its goods under International Class 5, would not only allow it to take a free ride and reap the advantages of the goodwill and reputation of the Opposer's mark, but it would also confuse the consuming public who would be led to believe that the products sold by the Respondent-Applicant are produced and manufactured by the Opposer, or at the very least, a variant of the Opposer's products. Clearly, the risk of damage is not limited to a possible confusion of goods but also includes confusion of reputation if the general purchasing public could reasonably be misled into believing that the goods of the parties originated from one and the same source.

"32. In the case of Societe Des Produits Nestle, S.A. vs. Dy, Jr., the Supreme Court held that:

ххх

"33. Moreover, in the case of McDonald's Corporation vs. L.C. Big Mak Burger, Inc., et. al., the Supreme Court had occasion to rule htat, 'while proof of actual confusion is the best evidence of infringement, its absence is inconsequential'.

"34. Thus, the denial of the registration of Trademark Application No. 1159949 for the mark BELSTYN by this Honorable Office is authorized and warranted under the provisions of the Intellectual Property Code of the Philippines.

5

The Opposer's evidence consists of the Special Power of Attorney executed by the Opposer in favor of Cesar C. Cruz and Partners Law Offices and the Affidavit executed by Joseph M. Palladino, President of Aventisub LLC.<sup>4</sup>

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 09 October 2014. The Respondent-Applicant filed their Answer on 02 December 2014 and avers the following:

#### $\mathbf{x} \mathbf{x} \mathbf{x}$

"11 (A). The allegations in the Notice of Opposition is specifically denied since Opposer's products represented by the mark 'BENTYL' under Class 5 will never find themselves 'side by side' with the pharmaceutical products of Respondent-Applicant represented by the mark 'BELSTYN' for the reason that the products of Opposer are 'MUSCLE RELAXANTS or anti-spasmodic for women' that cater to non-sick or non-ill, but well and healthy women buyers/purchasers who are merely and temporarily experiencing muscle spasms that are not even life-threatening since it refers to feelings of uncomfortability; while the pharmaceutical products represented by the mark of Respondent-Applicant 'BELSTYN' will be offered to purchasers only through medical prescriptions prepared by oncologists or medical specialists.

"11 (B). BUT, assuming without admitting, that the products of Opposer's and that of Respondent-Applicant's are of the same category that their respective products fall under the same category, still, Respondent-Applicant submits that the mark 'BELSTYN' under application for registration WILL NOT BE CONFUSINGLY SIMILAR to the products of Opposer for the following reasons:

"a) the two marks are very much different from each other in terms of spelling and presentation;

"b) the products of Respondent-Applicant will be dispensed with through a special counter for patients with prescription of oncologists or medical specialists; while the products of Opposer will be dispensed with through ordinary counter without prescription.

"11 (C). It would be fittingly proper to note, considering the foregoing, that the two marks must be compared not side-by-side but in their entirety as they are seen in the marketplace to determine if the two marks are really confusing to the consumers (Reno Air racing Ass'n, Inc. v. McCord, 452 F.3d 1126, 1137 (9<sup>th</sup> Cir. 2006), where the Court held that: 'a court does not consider the similarity of the marks in the abstract, but rather in the light of the way of the marks are encountered in the marketplace and the surrounding circumstances surrounding the purchase'- as cited by Anne Gilson LaLonde in her Article titled: Can't Get into the Dilution Club? Now Would be a Good Time to Revisit Likelihood of Confusion', p. 23.

<sup>&</sup>lt;sup>4</sup>Marked as Annexes "A" and "B", inclusive.

"As shown above, Respondent-Applicant submits that the two marks in question are very much different from each other, not only in terms of spelling, pronunciation, presentation and the process by which they are purchased or obtained from the marketplace, that confusing one for the other will be impossible to happen.

The Respondent-Applicant's evidence consists of the affidavit of Tom Friis-Mikkelsen, Head of Trademarks of Leo Pharma A/S.

On 21 October 2015, the Preliminary Conference was terminated and the parties were directed to file their respective position papers. Thereafter, the case was deemed submitted for resolution.

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

The Opposer anchors its opposition on Sections 123.1, paragraphs (d) and (f) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

Sec. 123.Registrability. – 123.1. A mark cannot be registered if it:

ххх

- (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;"
- (f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or service which are not similar to those with respect to which registration is applied for: Provided, That use of the 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 on 20 June 2013, the Opposer has an existing trademark registration for the mark BENTYL (Reg. No. 4-2009-500873) issued on 24 February 2011. The registration covers "antispasmodic" under Class 05. On the other hand, Respondent-Applicant's mark covers "pharmaceutical preparations for the treatment of cancer and dermatological, hematological, renal and endocrine disorders; medicated powders, creams, lotions, gels and lip balm for the treatment of dermatological disorders, cancer and skin infections; glues for medical use; medical and wound dressings; dressings for the treatment of dermatological disorders, cancer and skin infections" under Class 05,

Hence, the question, does BELSTYN resemble BENTYL such that confusion or deception is likely to occur? The marks are shown below:



# BELSTYN

**Opposer's trademark** 

Respondent-Applicant's mark

This Bureau finds that confusion or deception is unlikely to occur at this instance. The pharmaceutical products covered by the marks treat different illnesses. Designated as BELSTYN, Respondent-Applicant's pharmaceutical product will be dispensed with through a special counter for patients with prescription of oncologists or medical specialists. Opposer's products covered under BENTYL are antispasmodic under Class 05. While the marks are common as to the letters "B", "E", "L", "T", "Y" and "N", the arrangement of the letters and the added letter "S" make it easier for the consumers to distinguish Respondent's BELSTYN from the antispasmodic drug BENTYL.

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.<sup>5</sup> 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. M/0000/01159949 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

SO ORDERED. Taguig City, 13 FEB 2017

tty. JOSÉPHINE Adjudication Officer, Bureau of Legal Affairs

<sup>&</sup>lt;sup>5</sup> Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.