NOVARTIS AG,	}	**IPC No. 14-2014-00022**
Opposer,	}	Opposition to:
	}	Appln. Serial No. 4-2013-0011599
-versus-	}	Date Filed: 26 September 2013
	}	
	}	
SUHITAS PHARMACEUTICALS, INC.,	}	**TM: XANDOX**
Respondent-Applicant.	}	

x----------x

NOTICE OF DECISION

JDF LAW
Counsel for Opposer
1502 One Global Place, 5th Avenue corner
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SUHITAS PHARMACEUTICALS, INC.
Respondent- Applicant
3rd Floor, Centerpoint Building
Pasong Tamo corner Export Bank Drive,
Makati City

GREETINGS:

Please be informed that Decision No. 2017 - 225 dated 16 June 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, 16 June 2017.

MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

NOVARTIS AG,

Opposer,

- versus -

Suhitas Pharmaceuticals Inc.,

Respondent-Applicant.

IPC NO. 14 – 2014 - 00022

Opposition to:
Trademark Application Serial No. 42013011599

TM: "XANDOX"

DECISION NO. 2017 - 225

x----------x

D E C I S I O N

NOVARTIS AG. (Opposer)[1] filed an Opposition to Trademark Application Serial No. 4-2013-011599. The trademark application filed by SUHITAS PHARAMACEUTICAL INC. (Respondent-Applicant) [2] , covers the mark XANDOX for *"pharmaceutical (anti-bacterial)"* under Class 5 of the International Classification of Goods and Services[3].

The Opposer based its Opposition on the following grounds:

1. The registration of the trademark XANDOX in the name of Respondent-Applicant will violate and contravene Section 123.1 subparagraph (d) of the Intellectual Property Code of the Philippines (R.A. 8293), as amended, because the said mark is confusingly similar to Opposer's registered mark XANTOR as to be likely, when applied to or used in connection with the goods of Respondent-Applicant, to cause confusion, mistake and deception on the part of the purchasing public; and

2. The registration and use of the trademark XANDOX by Respondent-Applicant will diminish the distinctiveness and dilute the goodwill of the Opposer's trademark XANTOR.

The pertinent portions of the Opposition are quoted, to wit:

> a. Opposer is one of the world's leading supplier of innovative medical products. The Group is active in over 140 countries, but strongly

[1] A corporation organized and existing under the laws of Switzerland with Address at CH4002 Basel Switzerland.
[2] A domestic Corporation with address at 3F Centrepoint Bldg., Pasong Tamo Cor Export Bank Drive Makati City.
[3] The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

rooted in Switzerland. For more than half a century now, Novartis Healthcare has been active in the Philippines through local agents Sandoz (Philippines), Inc. and Ciba Geigy (Philippines), Inc. founded in 1964 and 1973, respectively. Novartis in the Philippines was incorporated in 1996, integrating Ciba Geigy and Sandoz Philippines, following the merger of the giant parent companies.

b. Opposer is the deemed registered owner/registrant of the mark XANTOR, as follows:

Registration No.: 4-2012-015482
Date Registered: May 16, 2013
Application No. 4-2012-015482
Date Filed: December 26, 2012
Goods: Pharmaceutical Preparations for Human Use in Class 05

x x x

c. XANTOR is manufactured by Sandoz Philippines Corporation and distributed in the Philippines by Zuellig Pharma Corporation. Xantor was first introduced in the Philippine market on 22 September 2013. Opposer has spent much for the promotion and advertisement of the XANTOR. As a result of such advertising and promotions, the total sales for XANTOR reached Php 3,541,559.00. x x x

THE MARKS "XANTOR" and "XANDOX" are confusingly similar

Under the IDEM SONANS RULE

d. The IDEM SONANS RULE provides that two trademarks used on identical or related products will result in confusion if they have similar sound. In the instant case, XANTOR and XANDOX sound very similar and since both marks pertain to goods under the same class, namely, class 05, hence confusion will most definitely result.

e. x x x Obviously, XANTOR and XANDOX are identical in respect of the first syllable, XAN and the fifth letter "O" thus confusingly similar as to sound. In fact, the marks differ only as to the fourth and sixth letter. Nonetheless, the similarity between these marks remains apparent. Further, as the goods covered by the contending marks under Class 05 are of the same descriptive properties, confusion is highly probable.
x x x

Applying the DOMINANCY Test

m. The Dominancy Test focuses on the similarity of the prevalent features of the competing trademarks that might cause confusion and deception, thus constituting infringement. If the competing trademark contains the main, essential and dominant feature of another and confusion or deception is likely to result, infringement occurs. Exact imitation or duplication is not required. Applying the "Dominancy Test" as defined by the Supreme Court in a multitude of cases and as adopted by RA 8293, there can be no doubt that "XANTOR" and "XANDOX" are confusingly similar. Both marks have the same prefix "XAN" and composed of six letters having two syllables.

x x x

o. Apparently, the IP Code does not require exact similitude as amounting to identity. Thus, to allow the registration of the mark XANDOX would be an explicit violation of the above-quoted provision. As previously noted, in determining likelihood of confusion, exact imitation or duplication is not required. Under the Dominancy Test, it is not necessary that the trademark be exactly copied in order for competing marks to be considered as confusingly similar. In fact, the IP Code does not require actual confusion for Section 123 of the IP Code uses the following: "confusingly similar to," "nearly resembles," and "likely to deceive or cause confusion," all of which suggest mere likelihood of confusion, not actual confusion. Hence, the term colorable imitation. "The term colorable imitation denotes such as a close ingenious imitation as to be calculated to deceive ordinary persons, or such a resemblance to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives, and to cause him to purcahse the one supposing it to be the other." Hence, the following have been considered as confusingly similar despite certain dissimilarities in spelling:

Lusolin	Sapolin
Freeman	Freedom
Ambisco	Nabisco
Duraflex	Dynaflex
Gold Toe	Gold Top

p. Applying the above jurisprudence to the instant case, apparently Respondent-Applicant's mark XANDOX colorably imitates Opposer's mark XANTOR. The fact that Respondent-Applicant's mark has different fourth (D) and sixth letter (X) is NOT sufficient to distinguish the same from the mark of the Opposer.

x x x

s. As a matter of fact, when the two marks are written, as would be in a prescription pad, the two marks appear practically look alike.x x x

To allow the registration and use of Respondent-Applicant's XANDOX will diminish the distinctiveness and dilute the goodwill of Opposer's XANTOR.

u. Opposer's mark under Registration No. 4-2012-015482 covers: "PHARMACEUTICAL PREPARATION FOR HUMAN USE" under Class 05. Respondent-Applicant's mark covers "PHARMACEUTICAL (ANTIBACTERIAL) under Class 05. It is readily apparent that the goods sought to be covered by Respondent-Applicant's mark are closely related to the goods covered by the Opposer's mark. In fact, the goods covered by the Opposer may necessarily include that of Respondent-Applicant's "Pharmaceutical (Antibacterial)" or may be the subject of Opposer's direct expansion of its business as these goods are all considered under the umbrella term "Pharmaceutical," thus, almost ensuring the possibility of confusion in the consumers' mind as to the origin or source of said goods and as to the nature, character, quality and characteristics of the goods, to which it is affixed.

x x x

In support of its Opposition, the Opposer submitted the following as evidence:

Exhibit "A" – Authenticated Special Power of Attorney; and
Exhibit "B" – Affidavit of Meike Urban and Andrea Felbermeir together with the Annexes.

This Bureau issued a Notice to Answer on 19 March 2014 and served a copy to the Respondent-Applicant on 27 March 2014. However, the Respondent-Applicant did not file an Answer to the Opposition. In view of the failure to file an Answer, an Order dated 10 July 2014 was issued declaring the Respondent-Applicant in default. Consequently, this case was deemed submitted for decision.

The issue to resolve in the present case is whether the Respondent - Applicant should be allowed to register the trademark "XANDOX"

At the outset, records show that when Respondent-Applicant filed her trademark application for XANDOX mark on 26 September 2013, the Opposer had already a prior and existing trademark registration for the mark XANTOR (Certificate of Registration No. 4-2012-15482). The Opposer's registration covers *"Pharmaceutical Preparation for Human Use"* under Class 5 of the International Classification of Goods and Services.

The competing marks are reproduced below for comparison:

XANTOR	XANDOX
Opposer's Trademark	Respondent-Applicant's Trademark

Upon examination of the competing trademarks and the evidence submitted by the Opposer, this Bureau finds the Opposition meritorious.

The instant opposition is primarily based on Section 123.1, paragraph (d), of the IP Code which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such mark as to be likely to deceive or cause confusion.

Four (4) of the six (6) letters of the competing wordmarks, specifically, "X", "A", "N" and "O", are the same. They are both composed of two (2) syllables with similar sounding effect – *XAN-DOX vis a vis XAN-TOR.* The close similarities visually and phonetically of the two trademarks create similar impression or confusion on the consumers. The additional letters "T" and "R" in Respondent-Applicant's mark that replaces "D" and "X" in the Opposer's are not enough to distinguish the two word marks from each other.

Our jurisprudence has shown that trademarks with *idem sonans* or similarities of sounds are sufficient ground to constitute confusing similarity in trademarks.[4] The Court has ruled that the following words: Duraflex and Dynaflex;[5] Lusolin and Sapolin;[6] Salonpas and Lionpas;[7] and Celdura and Cordura[8] are confusingly similar. In addition, the Supreme Court, citing Unfair Competition and Trade Marks, 1947, vol. 1 by Harry Nims, recognized the confusing similarities in sounds of the following trademarks: "Gold Dust" and "Gold Drop"; "Jantzen" and "Jazz-Sea"; "Silver Flash" and "Supper-Flash"; "Cascarete" and Celborite"; "Celluloid and Cellonite"; "Chartreuse" and "Charseurs"; "Cutex" and "Cuticlean"; "Hebe" and "Meje"; "Kotex" and Fermetex"; and "Zuso" and "HooHoo."[9] Evidently, the subject trademarks "XANDOX" and "XANTOR" fall squarely within the purview of this *idem sonans* rule.

Moreover, this Bureau also finds that the goods subject of trademarks, are similar and/or closely related goods. Undoubtedly, there is very likelihood that the product of the Respondent-Applicant may be confused with the Opposer's. The public may even be deceived that Respondent-Applicant's products originated from the Opposer, or that there is a connection between the parties and/or their respective goods.

At this point, it is worthy to reiterate the Supreme Court when it held that the field from which a person may select a trademark is practically unlimited and as in all other cases of colorable imitation, the unanswered riddle is why, of the millions of terms and combination of design available, respondent-applicants had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.[10]

It has been held consistently in our jurisdiction that the law does not require that the competing trademarks must be so identical as to produce actual error or mistake. It would be sufficient, for purposes of the law that the similarity between the two labels is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it.[11] Corollarily, the law does not require actual confusion, it being sufficient that confusion is likely to occur.[12]

WHEREFORE, premises considered, the instant Opposition to Trademark Application Serial No. 42013011599 is hereby **SUSTAINED.** Let the filewrapper of Trademark Application Serial No. 42013011599 be returned

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[4] Marvex Commercial Co., Inc. vs. Petra Hawpia and Co, G.R. No. L-19297, 22 December 1966
[5] American Wire & Cable Company vs. Director of Patents and Central Banahaw Industries, G.R. L-26557 18 Fenruary 1970
[6] Sapolin Co. vs. Balmaceda, 67 Phil 795
[7] Marvex Commercial Co., Inc. vs. Petra Hawpa and Co, G.R. No. L-19297, 22 December 1966
[8] Co Tiong vs. Director of Patents, 95 Phil 1
[9] Marvex Commercial Co., Inc. vs. Petra Hawpia and Co, G.R. No. L-19297, 22 December 1966
[10] American Wire & Cable Company vs. Dir. Of Patent, G.R. No. L-26557, February 18, 1970.
[11] American Wire & Cable Co. vs. Director of Patents, et. al., G.R. No. L-26557, February 18, 1970
[12] Philips Export B.V. et. al. vs. Court of Appeals, et. al., G.R. No. 96161, February 21, 1992

together with a copy of this Decision to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Taguig City, 16 JUN 2017

Atty. Leonardo Oliver Limbo
Adjudication Officer
Bureau of Legal Affairs