

TAKEDA GMBH,
Opposer,

-versus-

DIAMOND LABORATORIES, INC.,
Respondent-Applicant.

X-----X

} **IPC No. 14-2014-00011**
}
} Opposition to:
} Appln. Ser. No. 4-2013-08223
} Date Filed: 12 July 2013

} **TM: ULCERAX**

NOTICE OF DECISION

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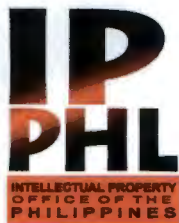
GREETINGS:

Please be informed that Decision No. 2017 - 334 dated 07 September 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, 07 September 2017.

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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DIAMOND LABORATORIES, INC.
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x-----x

IPC NO. 14-2014-00011

Opposition to:
Appln. Ser. No. 4-2013-08223
Date Filed: 12 July 2013
Trademark: ULCERAX

Decision No. 2017 - 334

DECISION

TAKEDA GMBH¹ ("Opposer") filed an Opposition to Trademark Application Serial No. 4-2013-08223. The application, filed by DIAMOND LABORATORIES, INC.² ("Respondent-Applicant") covers the mark ULCERAX for use on "*pharmaceutical, substances adapted for medical use*" under Class 5 of the International Classification of goods³.

The Opposer alleges that it is the registered owner of the two (2) ULCEPRAZ marks for use on goods such as "*pharmaceutical preparations for the treatment of gastro-intestinal diseases*" under Registration No. 4-2008-008700 and "*pharmaceutical preparations for the treatment of disorders of the central nervous system, the immune system, the cardio-vascular system, the respiratory system, the muscular-skeletal system, for the treatment of inflammatory disorders and for use in dermatology, ophthalmology and oncology*" under Registration No. 4-1999-001006, both under Class 5. The mark ULCEPRAZ was originally owned by its predecessor-in-interest, Nycomed GMBH, until it was acquired by herein Opposer. According to Opposer, the goods bearing the mark ULCEPRAZ has been marketed and sold in the Philippines since 01 March 1997, or seventeen (17) years earlier from the filing application for registration of the mark ULCERAX by Respondent-Applicant. Opposer also posits that as the holder of certificate of registration, it has the right to use the mark to the exclusion of all others. Also, the use by Respondent-Applicant of the mark ULCERAX will likely cause confusion, mistake or deception on the part of the purchasers as to origin of the product and the identity of the business to the damage of the Opposer's interest.

The Opposer's evidence consists of the following:

1. Legalized and authenticated Affidavit-Testimony of Dr. Wolfgang Feiler and Alexander Machler;
2. Printout of relevant pages of Opposer's website <http://www.takeda.com>;
3. Certified copies of Recordal of Change of Name for Registration No. 4-1999-001006 for the mark ULCEPRAZ;
4. Certified copies of Recordal of Change of Name for Registration No. 4-2008-008700 for the mark ULCEPRAZ;
5. Certified copies of Sales Invoices for ULCEPRAZ drug;

¹ A corporation duly organized and existing under the laws of Germany with address at Byk-Gulden-Str. 2, D-78467 Konstanz, Germany.

² A domestic corporation with address at #8 FERIA Road., Commonwealth Avenue, Diliman, 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.

Republic of the Philippines
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6. Certified copy of Certificate of Registration No. 4-1999-001006 for the mark ULCEPRAZ;
7. Certified copy of Certificate of Registration No. 4-2008-008700 for the mark ULCEPRAZ;
8. Certified copies of Declaration of Actual Use for the mark ULCEPRAZ
9. Actual promotional items for the product ULCEPRAZ;
10. Summary of List of Sold Units of ULCEPRAZ drugs;
11. Sample product packaging and sample ULCEPRAZ drug; and
12. Legalized and authenticated Special Power of Attorney.

This Bureau issued on 12 March 2014 a Notice to Answer and served a copy thereof to the Respondent-Applicant on 20 March 2014. After several motions for extension of time to file the answer, the Respondent-Applicant filed its Answer on 29 May 2014.

Respondent alleges that there is no possible confusion between ULCERAX and ULCEPRAZ because Opposer's mark is descriptive, thus, not subject to protection under the law. Respondent-Applicant further argues that since the products of the parties are prescription drugs, the consumers involved are discerning and not the "completely unwary customers". Also, according to Respondent-Applicant, the generic names of the drugs bearing the respective marks of the parties are also different and as such, it provides substantial distinction between them to negate any confusion.

Respondent -Applicant's evidence consists of the following:

1. Photocopy of the Certificate of Product Registration for the drug ULCERAX; and
2. Photocopy of the actual packaging for the ULCERAX drug.

On 06 June 2014, Opposer filed its Reply. Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 04 June 2014. However, the parties failed to settle their dispute. The preliminary conference was terminated on 11 March 2015 and the parties were directed to submit position papers. On 26 March 2015, Opposer and Respondent-Applicant filed their respective Position Papers.

Should the Respondent-Applicant be allowed to register the mark ULCERAX?

Opposer anchors its opposition on Section 123.1 (d) of Republic Act No. 8293, also known as the "Intellectual Property Code of the Philippines" (IP Code), as amended, which provides:

Section 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;

Explicit from the afore-cited provision of the IP Code that whenever a mark subject of an application for registration resembles another mark which has been registered or has an earlier filing or priority date, said mark cannot be registered.

The records show that at the time the Respondent-Applicant filed its application for the mark ULCERAX on 12 July 2013, the Opposer already has an existing registration for the trademark ULCEPRAZ issued on 21 May 2004 and 22 December 2008. As such, its certificate of registration is a *prima facie* evidence of the validity of the registration, its ownership of the mark, and of the

exclusive right to use the same in connection with the goods or services specified in the certificate and those that are related thereto.⁴

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?

ULCEPRAZ

Opposer's Mark

ULCERAX

Respondent-Applicant's Mark

A perusal of the marks of the parties shows that they resemble each other. Moreover, the contending marks are also aurally the same. Where goods are advertised over the radio, similarity in sound is of special significance.⁵ The importance of this rule is emphasized by the increase of radio advertising in which we are deprived of the help of our eyes and must depend entirely on the ear.⁶ In this case, when Respondent-Applicant's ULCERAX mark is pronounced, it sounds the same as that of Opposer's ULCEPRAZ. 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.

In *Marvox Commercial Co. Inc. vs. Petra Hawpia & Co., and The Director of Patents*⁷, the Supreme Court ruled:

"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 special significance (Co Tiong Sa vs. Director of Patents, 95 Phil. I, citing Nims, The Law of Unfair Competition and Trademarks, 4th ed., Vol. 2, pp. 678-679). 'The importance of this rule is emphasized by the increase of radio advertising in which we are deprived of the help of our eyes and must depend entirely on the ear' (Operators, Inc. vs. Director of Patents, supra).

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, 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 'Cordura' 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.

⁴ Sec. 138, Intellectual Property Code of the Philippines

⁵ Co Tiong Sa vs. Director of Patents, 95 Phil., 1, citing Nims, The Law of Unfair Competition and Trademarks, 4th ed., Vol. 2, pp. 678-679

⁶ Operators, Inc. vs. Director of Patents, L-17901, Oct. 29, 1965

⁷ G.R. No. L-19297. 22 December 1966

In the case at bar, '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 (see *Celanese Corporation of America vs. E. I. Du Pont*, 154 F. 2d. 146, 148)."

Furthermore, Respondent-Applicant's mark is descriptive. Section 123.1 (j) of the IP Code provides that a mark cannot be registered if it 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. "A mark 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."⁸

And, in *Asia Brewery, Inc. v. Court of Appeals, Et. Al.*⁹, the Supreme Court explained the reason why descriptive terms should not be registered as trademarks, to wit:

A word or a combination of words which is merely descriptive of an article of trade, or of its composition, characteristics, or qualities, cannot be appropriated and protected as a trademark to the exclusion of its use by others . . . inasmuch as all persons have an equal right to produce and vend similar articles, they also have the right to describe them properly and to use any appropriate language or words for that purpose, and no person can appropriate to himself exclusively any word or expression, properly descriptive of the article, its qualities, ingredients or characteristics, and thus limit other persons in the use of language appropriate to the description of their manufactures, the right to the use of such language being common to all. This rule excluding descriptive terms has also been held to apply to trade-names. As to whether words employed fall within this prohibition, it is said that the true test is not whether they are exhaustively descriptive of the article designated, but whether in themselves, and as they are commonly used by those who understand their meaning, they are reasonably indicative and descriptive of the thing intended. If they are thus descriptive, and not arbitrary, they cannot be appropriated from general use and become the exclusive property of anyone. (52 Am. Jur. 542-543.)"

Aptly, a descriptive name of a product can never function as a trademark. It is regarded by law as free for all to use. As such the registration of purely descriptive marks is proscribed because they are the usual way of designating the relevant goods or services or their characteristics. A descriptive term is the name of the product or service itself which is the very antithesis of a mark and cannot function as a mark to identify and distinguish the goods or services of one seller.¹⁰

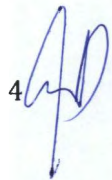
In this case, it is evident from the evidence on record that Respondent-Applicant's mark ULCERAX is descriptive of the goods upon which the mark is used. In the Certificate of Product Registration, Respondent-Applicant's mark is used on pharmaceutical products for the treatment of duodenal and benign gastric ulceration.

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

⁸ *Societe Des Produits Nestle, Et. Al. vs. Court of Appeals*. G.R. No. 112012. 4 April 2001.

⁹ G.R. No. 103543, 05 July 1993, citing *Ong Ai Gui v. Director of Patents*, 96 Phil. 673,675 [1955].


¹⁰ J. Thomas McCarthy, *Trademarks and Unfair Competition*, Vol. I, 1973 Ed. p. 405.

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WHEREFORE, premises considered, the instant opposition is hereby *SUSTAINED*. Let the filewrapper of Trademark Application Serial No. 4-2013-08223, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 07 SEP 2017.


MARLITA V. DAGOSA
Adjudication Officer
Bureau of Legal Affairs