

## [ CA-G.R. SP No. 127894, November 28, 2014 ]

### **TORRENT PHARMA PHILIPPINES, INC., PETITIONER, MEMBERS: VS. L.R. IMPERIAL, INC., RESPONDENT.**

#### **DECISION**

##### **LAMPAS PERALTA, J.:**

Before the Court is a petition for review assailing the Decision dated December 3, 2012<sup>[1]</sup> of the Director General, Intellectual Property Office (IPO) which dismissed petitioner's appeal from the Decision dated May 7, 2008<sup>[2]</sup> of the Director, Bureau of Legal Affairs (BLA), IPO rejecting petitioner's trademark application for registration of the mark "NORMOTEN" for use on anti-hypertensive medicinal preparation falling under Class 5<sup>[3]</sup> of the Nice Classification.

#### **THE ANTECEDENTS**

On June 16, 2006, petitioner Torrent Pharma Philippines, Inc., a corporation organized and existing under Philippine laws, filed with the IPO an application for registration of the trademark "NORMOTEN" (Trademark Application No. 4-2006-006394).<sup>[4]</sup> The application was published for opposition in the IPO Gazette on March 30, 2007.

On May 29, 2007, respondent L.R. Imperial, Inc. filed a verified opposition<sup>[5]</sup> against petitioner's trademark application. Respondent is a corporation organized and existing under Philippine laws, engaged in the marketing and sale of a wide range of pharmaceutical products, and the registered owner of the mark "NORTEN". Its opposition is premised on the ground that "NORMOTEN" could not be registered pursuant to Section 123, Republic Act No. 8293 (otherwise known as, the Intellectual Property Code) because there was confusing similarity between "NORMOTEN" and "NORTEN" which both pertained to anti-hypertensive medicinal preparations falling under Class 5 of Nice Classification.

On October 19, 2007, petitioner filed a verified answer<sup>[6]</sup> alleging, among others, that (i) the danger of confusion or deception was remote in trademark cases involving medicines as they may be dispensed only upon a doctor's prescription or sold with the intervention of a pharmacist; (ii) there were remarkable differences in the meaning, background, color, size and design between the contending trademarks; and, (iii) "NORMOTEN" and "NORTEN" sounded differently.

Preliminary Conferences were held on November 27, 2007, January 28, 2008 and March 25, 2008.<sup>[7]</sup> Respondent submitted the following pieces of evidence in support of its opposition: (i) list of trademarks published for opposition; (ii) certificate of registration for NORTEN; (iii) declaration of actual use; (iv) product label for NORTEN; (v) affidavit dated 29 May 2007 by a certain Lyle Morrell; and, (vi) certificate of product registration.<sup>[8]</sup> On the other hand, petitioner's evidence

consisted of the following: (i) product label for NORMOTEN; (ii) product label for NORTEN; (iii) affidavit dated October 18, 2007 executed by a certain Maddali Srinivas Chakravarthy; (iv) agreement for registration of products dated February 4, 1998; (v) certificate of brand name clearance for NORMOTEN; (vi) trademark application No. 4-2006-006394 for NORMOTEN; (vii) declaration of actual use; (viii) notice of allowance; and, (ix) certificate of product registration for NORMOTEN.<sup>[9]</sup>

On May 7, 2008, the Director, BLA-IPO rendered a Decision rejecting petitioner's trademark application on the ground that petitioner's mark "NORMOTEN" and respondent's mark "NORTEN" were confusingly similar as both marks (i) were written in almost the same style of lettering; (ii) pertained to the same classification of goods / merchandise; and, (iii) had aural similarities which produced the same cadence when pronounced.<sup>[10]</sup>

On June 18, 2008, petitioner filed a motion for reconsideration<sup>[11]</sup> but the same was denied in a Resolution dated June 2, 2010<sup>[12]</sup> of the Director, BLA-IPO.

On June 17, 2010, petitioner filed with the Office of the Director General, IPO an appeal from the Decision dated May 7, 2008 of the Director, BLA-IPO, alleging error on the part of the Director, BLA-IPO (i) in ignoring the doctrine laid down in **Ethepe A.G. v. Director of Patents**<sup>[13]</sup> that the danger of confusion is remote in trademark cases involving prescription drugs; (ii) in declaring that the competing marks were confusingly similar in composition of letters and in pronunciation; and, (iii) in applying the dominancy test.<sup>[14]</sup>

In a Decision dated December 3, 2012, the Director General, IPO denied petitioner's appeal, holding that "NORMOTEN" and "NORTEN" were obviously similar in their composition, visual representation and sound of the words, that the dominant features in the two trademarks would give the impression that the two products were related and came from the same source, especially that they were used on similar goods, and that the differences between said marks were not distinctive enough to distinguish "NORMOTEN" from "NORTEN". The dispositive portion of the Decision reads:

"WHEREFORE, premises considered, the instant appeal is hereby DISMISSED. Let a copy of this Decision be furnished to the Director of the Bureau of Legal Affairs, the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology transfer Bureau for information, guidance, and records purposes.

SO ORDERED."<sup>[15]</sup>

Hence, petitioner filed the present petition ascribing the following errors allegedly committed by the Director, IPO:

I.

The Director General seriously and manifestly erred when he declared

that the Petitioner's mark "NORMOTEN" and the respondent's mark "Norten" are identical or confusingly similar.

## II.

The Director General seriously and manifestly erred when he declared that the Petitioner's mark "NORMOTEN" indicates a connection with the Respondent's mark "Norten".

## III.

The Director General seriously and manifestly erred when he declared that the likelihood of confusion in Trademarks of Medicine and Pharmaceutical Products is NOT Remote.<sup>[16]</sup>

## ISSUE

Whether the Director General, IPO erred in dismissing petitioner's appeal and in holding that petitioner's mark "NORMOTEN" was confusingly similar with respondent's mark "NORTEN" because of obvious resemblance in their composition, visual representation and sound of the words.

## THE COURT'S RULING

To be sure, both the Director General, IPO and the Director, BLA-IPO are unanimous in holding that petitioner's mark "NORMOTEN" and respondent's mark "NORTEN" were confusingly similar as to their appearance and sound. The Director, IPO held that the difference between the contending marks was insignificant since both marks were used for the same class of goods (anti-hypertensive medicinal preparations). As enunciated by the Director General, IPO in his Decision dated December 3, 2012:

"A scrutiny of these marks shows that NORMOTEN and NORTEN are word marks and that NORMOTEN contains all the letters in NORTEN. Moreover, both marks have the first and last syllables, "NOR" and "TEN". There is, therefore, an obvious similarity in these two marks in the composition, visual representation and sound of the words. While the Appellant's mark has a second syllable composed of the letter "M" and "O", this difference is not distinctive enough to distinguish NORMOTEN from NORTEN, especially if they are to be used on similar goods. x x x

x x x            x x x            x x x

Therefore, the dominant features in the two trademarks would give the impression that the two products are related and from the same source. In a contest involving registration of trademarks, the determinative factor is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would

likely cause confusion or mistake on the part of the buying public. Section 123.1 (d) of the IP Code establishes this principle when it states that in determining confusing similarity a likelihood of confusion is the only requirement.

In this instance, it must be emphasized that the Appellant's products are similar with the Appellee which refers to antihypertensive medicinal preparations. To allow the registration of NORMOTEN would likely mislead the public to believe that the manufacturer of the medicines for antibiotics bearing the mark NORMOTEN and NORTEN are one and the same. The public may be mistaken that one is just a variation of the other which both came from the same manufacturer resulting to the damage of the Appellee who is the originator of the mark NORTEN. The risk of damage is not limited to a possible confusion of goods but also includes confusion of refutation if the public could reasonably assume that the goods of the parties originated from the same source. This is precisely, the reason why trademarks are very important and that before a trademark is allowed registration, it must be shown to be distinct and should be proven that there would not be a likelihood of confusion to the purchasing public.

Significantly, the Appellant and the Appellee are members of the pharmaceutical industry. It is not farfetched that the Appellant knew of the Appellee's products which have been in the market since 1998 and which has been used by the Appellee much earlier than the Appellant's. The Appellant secured a brand name clearance for NORMOTEN only in 2004 and filed the instant trademark application only in 2006. x x x

x x x            x x x            x x x

Accordingly, the Appellant should have explained how it arrived in using NORMOTEN which contains all the letters used in NORTEN. The Appellant has in its disposal "millions of terms and combination of letters and designs available" to use for its anti-hypertensive medical preparation. The Appellant, however, failed to explain to this Office why it decided to use NORMOTEN which would invite likelihood of confusion with NORTEN."

[17]

The petition is bereft of merit.

Section 123.1(d), RA No. 8293 provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor with an earlier filing or priority date, with respect to the same or closely related goods or services, or has a near resemblance to such mark as to likely deceive or cause confusion. Thus:

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;

There are two tests to determine likelihood of confusion: (i) the dominancy test and (ii) the holistic test. The dominancy test focuses on the resemblance of the dominant features of the competing marks giving more consideration to the aural and visual impressions created by the mark on the buyer than the prices, quality, sales outlets, and market segments. On the other hand, holistic or totality considers the entirety of the marks, including labels and packaging, and focuses not only on the predominant words but also on the other features appearing in the label in determining confusing similarity. The distinction between these two concepts was discussed in ***Prosource International, Inc. v. Horphag Research Management SA***<sup>[18]</sup>, thus:

"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 features of another, and confusion or deception is likely to result, infringement takes place. Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate. The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or to deceive purchasers. Courts will consider more the aural and visual impressions created by the marks in the public mind, giving little weight to factors like prices, quality, sales outlets, and market segments.

In contrast, the Holistic Test entails 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 in order that the observer may draw his conclusion whether one is confusingly similar to the other."

There is no hard and fast rule as to what test or standard should be applied to a particular case to determine the existence of likelihood of confusion. Each case must be decided on its merits and jurisprudential precedents must be studied in the light