



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

LACOSTE S.A.,

Petitioner,

G.R. No. 223270

- versus -

CROCODILE
INTERNATIONAL PTE LTD.,
Respondent.

Present:
LEONEN, S.A.J., *Chairperson*,*
LAZARO-JAVIER,
Acting Chairperson,
LOPEZ, M.,
LOPEZ, J., and
KHO, JR., JJ.

Promulgated:

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DECISION

KHO, JR., J.:

Assailed in this Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court are the Decision² dated September 8, 2015 and the Resolution³ dated February 29, 2016 of the Court of Appeals (CA) in CA-G.R. SP No. 137801 affirming: (a) the Decision⁴ dated October 7, 2014 of the Intellectual

* On official business.

¹ *Rollo*, vol. 1, pp. 21–63.

² *Id.* at 12–19. Penned by Associate Justice Socorro B. Inting and concurred in by Associate Justices Remedios A. Salazar-Fernando and Priscilla J. Baltazar-Padilla (†; a former Member of this Court) of the Second Division, Court of Appeals, Manila.

³ *Id.* at 9–10.

⁴ *Rollo*, vol. 4, pp. 1899–1905. Penned by Director General Ricardo R. Blancaflor.

Property Office-Director General (IPO-DG); and (b) the Decision⁵ dated December 21, 2009 and the Resolution⁶ dated June 21, 2013 of the IPO-Bureau of Legal Affairs (IPO-BLA), which denied the trademark opposition filed by petitioner Lacoste S.A. (Lacoste) against respondent Crocodile International Pte. Ltd. (Crocodile).

The Facts

Lacoste, a limited liability company organized under the laws of the Republic of France,⁷ is the registered owner of the mark “CROCODILE DEVICE” in the Philippines under Trademark Registration No. 64239 for goods and services covered by Classes 1 to 42 of the Nice Classification (NCL).⁸ Lacoste commenced using the said mark in the Philippines as early as 1963 when its clothing apparel was first marketed in the country.⁹ The depiction of the “CROCODILE DEVICE” mark covered by Trademark Registration No. 64239 is found below:



Figure 1 – CROCODILE DEVICE of Lacoste

Meanwhile, Crocodile is a corporation duly organized under the laws of Singapore which is a party to the Paris Convention, the TRIPS Agreement, and other international conventions to which the Philippines also adheres.¹⁰ It was first registered in 1949 in Singapore¹¹ and started exporting to the Philippines in 2002.¹² Crocodile is engaged in substantially the same line of business as Lacoste.¹³

On December 27, 1996, Crocodile filed before the Bureau of Patents, Trademarks, and Technology Transfer (the IPO’s predecessor) Trademark Application No. 4-1996-116672 for the mark “CROCODILE AND DEVICE” for goods covered by Class 25 of the NCL.¹⁴ Crocodile’s mark is depicted below:

⁵ *Rollo*, vol. 2, pp. 578–600. Penned by Bureau of Legal Affairs Director Estrellita Beltran-Abelardo.

⁶ *Id.* at 765–769. Penned by Bureau of Legal Affairs Director IV Atty. Nathaniel S. Arevalo.

⁷ *Rollo*, vol. 1, p. 152.

⁸ *Rollo*, vol. 4, p. 1907.

⁹ *Rollo*, vol. 1, p. 25.

¹⁰ *Id.* at 245.

¹¹ *Rollo*, vol. 4, p. 2021.

¹² *Id.* at 2025.

¹³ *Id.* at 1908.

¹⁴ *Rollo*, vol. 1, p. 12–13.

Handwritten signature



Figure 2 – CROCODILE AND DEVICE of Crocodile

On August 18, 2004 Lacoste filed a verified Notice of Opposition¹⁵ alleging that it would be greatly damaged by the registration of Crocodile's "CROCODILE AND DEVICE" mark which is confusingly similar or identical to the former's own "CROCODILE DEVICE" mark. As the registered owner of the "CROCODILE DEVICE" mark in the Philippines, it has the exclusive right to use the same to the exclusion of others.¹⁶

In defense, Crocodile argued that its mark and that of Lacoste have substantial differences in appearance and overall impression as shown by the fact that while Lacoste's mark is only a crocodile device facing the right, Crocodile's composite mark consists of the stylized word mark "Crocodile" above the representation of a crocodile facing the left. According to Crocodile, such substantial differences in appearance and overall commercial impressions between the marks preclude any possibility of consumer confusion as to the origin or affiliation of the goods on which the marks are used.

Furthermore, Crocodile pointed out that its own "CROCODILE AND DEVICE" mark and Lacoste's "CROCODILE DEVICE" mark are concurrently registered in other jurisdictions including Afghanistan, Bangladesh, Brunei, Cambodia, China, India, Indonesia, Japan, Kazakhstan, Laos, Malaysia, Mongolia, Morocco, Myanmar, Nepal, North Korea, Pakistan, Singapore, Sabah, Sarawak, South Korea, Sri Lanka, Turkmenistan, Taiwan and Uganda—thus, further belying Lacoste's claim that there is confusing similarity between Lacoste's and Crocodile's respective marks. In further support of this assertion, Crocodile also manifested that: (a) the Osaka District Court in Japan declared in a Judgment¹⁷ on February 24, 1971 that Lacoste's and Crocodile's marks are not confusingly similar to one another; (b) the Divisional Court in Yangon, Myanmar made a similar Judgment;¹⁸ (c) in separate letters to Crocodile dated July 30, 1980,¹⁹ June 1, 1982,²⁰ and January 21, 1983,²¹ Lacoste expressly admitted that their respective marks are not confusingly similar and that they can co-exist; and (d) on June 17, 1983, Lacoste and Crocodile executed a Mutual Co-Existence Agreement²² wherein they agreed, among others, that the agreement was executed to end all law

¹⁵ *Rollo*, vol. 2, pp. 780–785.

¹⁶ *Rollo*, vol. 1, pp. 155–156.

¹⁷ *Id.* at 277–324.

¹⁸ *Id.* at 325–354.

¹⁹ *Id.* at 355–356.

²⁰ *Id.* at 357–358.

²¹ *Id.* at 359–360.

²² *Id.* at 361–369.

suits, legal actions, controversies, disputes and claims between them, that they would develop their respective businesses, that they would fight third party infringers, and that they would acknowledge and recognize the other's marks and that their respective marks can validly and peacefully co-exist.²³

In its Reply,²⁴ Lacoste reiterated its argument that Crocodile's mark is confusingly similar with its own. It maintained that the distinction as to which side the crocodile device faces is too minute to be noticed by ordinary consumers from afar, and even argued that Crocodile's mark is a mere mirror image of its own mark.²⁵ Furthermore, Lacoste vehemently denied Crocodile's claim of peaceful co-existence in other countries, and that the Mutual Co-Existence Agreement mentioned by Crocodile does not apply in the Philippines. As to the letters allegedly containing admissions on the absence of confusing similarity between the contending marks, Lacoste posited that the same are premised on the acknowledgement of "long concurrent use" of both marks in other jurisdictions which resulted in each mark acquiring its distinctiveness. In the Philippine setting, however, said "long concurrent use" is not obtaining.²⁶

Lacoste later filed a Supplemental Opposition²⁷ dated November 30, 2005 bringing upon the IPO's notice the applicability of the principle of trademark dilution laid down in *Levi Strauss & Co. v. Clinton Apparelle, Inc.*²⁸ According to Lacoste, the use of Crocodile's "CROCODILE AND DEVICE" mark in the Philippines will likely cause a dilution of the distinctive quality of Lacoste's "CROCODILE DEVICE" mark because it will lessen the capacity of Lacoste's mark to identify or distinguish its products.²⁹

Trial ensued and Lacoste presented, among others, Shalimar Sunshine Salvino-Feldia (Salvino-Feldia) of Consumer Vibe Asia, Inc. as expert witness who then delivered a presentation before the IPO hearing officer of "Project Copy Cat," a logo test conducted for Lacoste and Crocodile, finding the "saurian" figure the distinctive feature of the two contending marks.³⁰

The IPO-BLA Ruling

In a Decision³¹ dated December 21, 2009, the IPO-BLA denied Lacoste's opposition, and accordingly, gave due course to Crocodile's trademark application.

²³ *Id.* at 249–251.

²⁴ *Id.* at 370–378.

²⁵ *Id.* at 372.

²⁶ *Id.* at 375–376.

²⁷ *Id.* at 383–387.

²⁸ 507 Phil. 238 (2005) [Per J. Tinga, Second Division].

²⁹ *Rollo*, vol. 1, p. 385.

³⁰ *Rollo*, vol. 4, pp. 1701–1742.

³¹ *Rollo*, vol. 2, pp. 578–600.

Applying both the Dominancy and Holistic Tests, the IPO-BLA ruled that there is no confusing similarity between Lacoste's and Crocodile's marks, finding that since Crocodile's mark is a composite mark, considering the word "Crocodile" in stylized font placed on top of the "saurian" figure, it has striking differences when compared to Lacoste's mark. The IPO-BLA likewise did not lend credence to "The Project Copy Cat" due to its questionable credibility on account that the same was privately commissioned by Lacoste to determine the existence of confusion between the contending marks.³² Furthermore, the IPO-BLA also pointed out that the Mutual Co-Existence Agreement, the judicial decisions in other jurisdictions, and Lacoste's letters to Crocodile buttress the conclusion that there is indeed no confusing similarity between Lacoste's and Crocodile's marks.³³

Finally, the IPO-BLA opined that the Doctrine of Trademark Dilution advanced by Lacoste has no application in this case, considering that it failed to adduce evidence that Crocodile obtained its "CROCODILE AND DEVICE" mark in bad faith or by means of fraud. Appositely, Crocodile, with an applied mark derived from its firm name, proved to be a legitimate business firm, identifying its mark in the public with its goods from those of others, thus, acquiring property rights not only in the symbols or devices but also in the reputation or goodwill generated thereby.³⁴

Aggrieved, Lacoste moved for reconsideration.³⁵

During the pendency of the same, Lacoste manifested to the IPO-BLA the Award³⁶ rendered by the Tribunal in an Ad Hoc Arbitration Proceeding between Lacoste and Crocodile concerning the interpretation of the geographical scope of the parties' 1983 Mutual Co-Existence Agreement. In that arbitration proceeding, it was declared that said Agreement is limited only to Taiwan, Singapore, Indonesia, Malaysia, and Brunei and that the parties are not bound by said agreement outside those five countries.³⁷

In a Resolution³⁸ dated June 21, 2013, the IPO-BLA denied Lacoste's Motion for Reconsideration. In so denying, the IPO-BLA reiterated that the word "Crocodile" prominently written in stylized format on top of the "saurian" figure in Crocodile's mark makes it easily distinguishable from Lacoste's mark. The IPO-BLA explained that when a mark consists of a word and device, and both are prominently represented, consumers would not only

³² *Id.* at 595–596.

³³ *Id.* at 597.

³⁴ *Id.* at 598.

³⁵ *Rollo*, vol. 4, pp. 1448–1505.

³⁶ *Rollo*, vol. 2, pp. 607–672. Signed by Co-arbitrators Mr. Peter Leaver QC and Professor Michael Pryles, and Chairman Mr. Michael Lee.

³⁷ *Id.* at 671.

³⁸ *Id.* at 765–769.

decide to buy just by looking at the device, as they also read the word component. Therefore, the consumers confronted with the conspicuous “Crocodile” word would not have a hard time discerning that the goods bearing such mark do not emanate from Lacoste.³⁹ Hence, the IPO-BLA found that Lacoste failed to establish that Crocodile merely counterfeited the former’s mark, nor had the intent to do so. In this regard, the IPO-BLA also pointed out that Lacoste’s and Crocodile’s marks are registered concurrently in other jurisdictions.⁴⁰

Aggrieved, Lacoste appealed⁴¹ to the IPO-DG.

The IPO-DG Ruling

In a Decision⁴² dated October 7, 2014, the IPO-DG affirmed the IPO-BLA ruling. Essentially, the IPO-DG affirmed the IPO-BLA’s finding that there is no confusing similarity between Lacoste’s and Crocodile’s marks which would prevent the registration of the latter. The IPO-DG held that there is no dispute that both Lacoste and Crocodile had been using their respective marks — which have noticeable differences from each other — for a long time already, as in fact, they have been allowed to co-exist in various jurisdictions. Hence, goods which have Lacoste’s marks can be easily associated with Lacoste, while goods having Crocodile’s marks can also be easily associated with Crocodile. Given these circumstances, the IPO-DG concluded that it is farfetched that the purchasing public — which is credited with at least a modicum of intelligence — would be confused as to the source of origin of Lacoste’s and Crocodile’s goods which carry their respective distinctive marks. As such, there is no cogent reason as to why Crocodile’s trademark application should not be given due course.⁴³

Dissatisfied, Lacoste filed a Rule 43 Petition for Review⁴⁴ dated November 3, 2014 before the CA, essentially alleging that the IPO-BLA and IPO-DG committed grave errors in issuing their respective rulings.

The CA Ruling

In a Decision⁴⁵ dated September 8, 2015, the CA affirmed the IPO-DG ruling. The CA, applying both the Dominancy Test and Holistic Test, held that while both marks indeed use the “saurian” figure, such fact, *per se*, is not enough to prove confusing similarity between Lacoste’s and Crocodile’s marks because there is also a need to compare the same as they appear in the

³⁹ *Id.* at 762.

⁴⁰ *Id.* at 768.

⁴¹ Not attached to the *rollo*.

⁴² *Rollo*, vol. 4, pp. 1899–1905.

⁴³ *Id.* at 1900–1905.

⁴⁴ *Id.* at 1906–1974.

⁴⁵ *Rollo*, vol. 2, p. 12–19.

respective labels and hang tags of the goods bearing such marks. Moreover, as regards the description of the contending marks, the CA pointed out that Lacoste's goods have the word "Lacoste" below the "saurian" figure,⁴⁶ while Crocodile's goods have the word "Crocodile" above such "saurian" figure. Verily, the appearances of the "saurian" figure, as well as the fonts, styles, and sizes used in the accompanying words as described above lead to the conclusion that there is no confusing similarity between Lacoste's and Crocodile's marks. Finally, the CA noted that the products involved are expensive and not merely ordinary household items which are of minimal cost. Thus, the ordinary intelligent buyer would closely scrutinize the goods that [they] are purchasing.⁴⁷

Undaunted, Lacoste moved for reconsideration⁴⁸ which was, however, denied in a Resolution⁴⁹ dated February 29, 2016. Hence, this petition.⁵⁰

The Issue Before the Court

The issue for the Court's resolution is whether the CA correctly affirmed the rulings of the IPO-BLA and the IPO-DG which held that there is no confusing similarity between Lacoste's and Crocodile's marks; hence, Lacoste's Opposition should be denied, and Crocodile's trademark application should be given due course.

The Court's Ruling

The Petition lacks merit.

At the outset, the Court notes that as aptly pointed out by the IPO-DG: (a) Crocodile filed Trademark Application No. 4-1996-116672 on December 27, 1996, or before the enactment of Republic Act (R.A.) No. 8293, otherwise known as the "Intellectual Property Code of the Philippines;" and (b) Crocodile manifested that the prosecution of its application be evaluated under the provisions of the old trademark law, i.e., R.A. No. 166,⁵¹ as amended.

⁴⁶ Here, the CA refers to another mark of Lacoste which has a pending application status before the IPO, depicted below:



⁴⁷ *Rollo*, vol. 1, pp. 4-6.

⁴⁸ *Id.* at 8-104.

⁴⁹ *Id.* at 9-10.

⁵⁰ *Id.* at 21-64.

⁵¹ Entitled "An Act to Provide for the Registration and Protection of Trade-Marks, Trade-Names and Service-Marks, Defining Unfair Competition and False Marking and Providing Remedies Against the Same, and for Other Purposes," approved on June 20, 1947.

Section 38 of R.A. No. 166, as amended defines “trademark” as “any word, name, symbol, emblem, sign or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured, sold or dealt in by others.” Relatedly, “the function of a trademark is to point out distinctly the origin or ownership of the goods [or services] 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.”⁵²

Given such function of trademarks, R.A. No. 166 prohibits the registration of another mark if it, among others, “consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers.”⁵³ Otherwise stated, an application for trademark registration shall be denied if the mark sought to be registered is confusingly similar to, or a colorable imitation of, a previously-registered mark belonging to another.

In this regard, the Philippine jurisdiction used to have two tests to aid the Court in ascertaining the existence of similarity and likelihood of confusion, namely, the Dominancy Test and the Holistic or Totality Test. However, in *Kolin Electronics Co. Inc. v. Kolin Philippines International, Inc.*,⁵⁴ the Court *En Banc* categorically abandoned the use of the Holistic or Totality Test in favor of the Dominancy Test.

Verily, “the dominancy test focuses on ‘the similarity of the prevalent or dominant features of the competing trademarks that might cause confusion,

⁵² *Ecole De Cuisine Manille, Inc. v. Renaud Cointreau & Cie, et al.*, 710 Phil. 305, 316 (2013) [Per J. Perlas-Bernabe, Second Division], citing *Mirpuri v. Court of Appeals*, 376 Phil. 628, 645 (1999) [Per J. Puno, First Division].

⁵³ See Section 4(d) of Republic Act No. 166, as amended, which reads:

SEC. 4. *Registration of trade-marks, trade-names and service-marks on the principal register.* — There is hereby established a register of trade-mark, trade-names and service-marks which shall be known as the principal register. The owner of a trade-mark, a trade-name or service-mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register, unless it:

....

(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers[.]

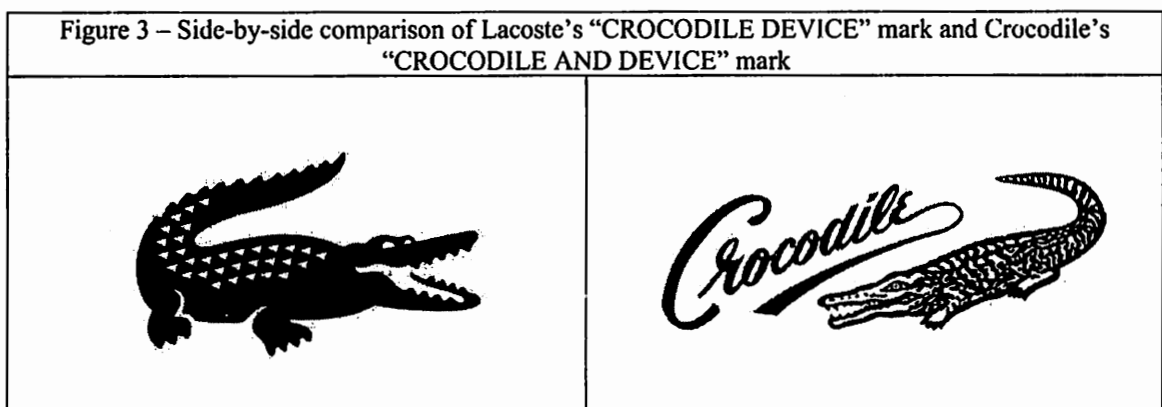
⁵⁴ G.R. No. 228165, February 9, 2021 [Per J. Caguioa, *En Banc*].

mistake, and deception in the mind of the purchasing public. Duplication or imitation is not necessary; neither is it required that the mark sought to be registered suggests an effort to imitate. Given more consideration are the aural and visual impressions created by the marks on the buyers of goods, giving little weight to factors like prices, quality, sales outlets, and market segments.”⁵⁵ Thus, **the Dominancy Test is applied “when the trademark sought to be registered contains the main, essential and dominant features of the earlier registered trademark, and confusion or deception is likely to result.”**⁵⁶

Relatedly, there are no set rules in determining what constitutes a dominant feature in trademarks. Instead, the Court takes into account the signs, color, design, peculiar shape or name, or some special, easily remembered earmarks of the brand that readily attracts and catches the attention of the ordinary consumer.⁵⁷

Given the foregoing, and further considering the jurisprudential development mentioned above, the Court shall now use the Dominancy Test in determining if there exists a confusing similarity between Lacoste’s and Crocodile’s marks.

A side-by-side comparison of Lacoste and Crocodile’s marks is found below for easy reference:



Apparent from the figures above, both marks depict the “saurian” figure and this was uniformly pointed out by the IPO-BLA, the IPO-DG, and the CA.

In Lacoste’s mark, it is beyond dispute that the “saurian” figure is the dominant feature, not only because it is the special and easily remembered

⁵⁵ *Levi Strauss & Co. v. Sevilla*, G.R. No. 219744, March 1, 2021 [Per J. Perlas-Bernabe, Second Division], citing *Dy, et al. v. CA, et al.*, 807 Phil. 819, 830–831 (2017) [Per C.J. Sereno, First Division].

⁵⁶ *Dermaline, Inc. v. Mayra Pharmaceuticals, Inc.*, 642 Phil. 503, 511 (2010) [Per J. Nachura, Second Division].

⁵⁷ *Id.* at 513.

earmark of the brand, but more importantly, because Lacoste's mark contains this sole component—i.e., the Crocodile Device.

Meanwhile, Crocodile's mark is noticeably a composite mark, which refers to trademarks which "may consist of a word or words combined with a design or designs; it may consist solely of words, when there are separable word elements; or it may consist solely of separable design elements."⁵⁸ Here, the entirety of Crocodile's mark contains both a word element (the word "Crocodile" in stylized format) and a design element (the "saurian" figure). However, following the Dominancy Test, only the design element or the "saurian" figure, which comprise Crocodile's CROCODILE AND DEVICE mark, should be considered in determining the existence of confusing similarity in this case.

On this point, the Court holds that there are pronounced differences between Lacoste's and Crocodile's marks, which resultantly, make them distinguishable from one another as will be discussed below.

Lacoste's "saurian" figure is facing to the right, meaning the head is at the right side while the tail is at the left side, and is aligned horizontally. On the other hand, Crocodile's "saurian" figure, is facing to the left, meaning the head is at the left side while the tail is at the right side. Furthermore, both the "saurian" figure and the word "Crocodile" in stylized format on top of it are tilted in that the right side's alignment is higher than the left side. More significantly, the "saurian" figures in both marks are easily distinguishable from one another, considering that in Lacoste's mark, the "saurian" figure is solid, except for the crocodile scutes⁵⁹ found on the body and the base of the tail which are depicted in white inverted triangles. There are also crocodile scutes protruding from the tail of Lacoste's "saurian" figure. Meanwhile, the "saurian" figure in Crocodile's mark is not solid, but rather, more like a drawing. Further, unlike Lacoste's "saurian" figure, Crocodile's "saurian" figure does not have crocodile scutes, whether protruding or not; and instead, is depicted with various scale patterns from the base of the head up to the tail.

In light of this, it may be reasonably concluded that there exist distinct visual differences both in appearance and overall commercial impression between Lacoste's and Crocodile's marks which makes likelihood of confusion between them nil. The form, arrangement, general appearance, and overall presentation of their marks are evidently dissimilar, thus, the

⁵⁸ See Section 1213.02 of the Trademark Manual of Examining Procedure of the United States Patent and Trademark Office. Available at <<https://tmep.uspto.gov/RDMS/TMEP/Apr2016#/Apr2016/TMEP-1200d1e11841.html>> (last accessed on June 23, 2022). See also J. Leonen's Dissenting Opinion in *Prosel Pharmaceuticals & Distributors, Inc. v. Tynor Drug House, Inc.*, 886 Phil. 916 (2020) [Per J. Carandang, Third Division], citing *The East Pacific Merchandising Corp. v. Director of Patents*, 110 Phil. 443 (1960) [Per J. J.B.L. Reyes, Second Division].

⁵⁹ A scute is defined as "an external bony or horny plate or large scale." See <<https://www.merriam-webster.com/dictionary/scute#:~:text=Definition%20of%20scute,horny%20plate%20or%20large%20scale>> (last accessed on June 23, 2022).

propensity to mistake one for the other is very low. This conclusion is further buttressed by the fact of the parties' actual co-existence in other jurisdictions, and even rulings in other jurisdictions, such as in Japan and Myanmar, declaring that there is indeed no confusing similarity between Lacoste's and Crocodile's marks.

In insisting that there is a confusing similarity between the aforementioned marks, Lacoste invokes, among others: (a) the IPO-BLA's Decision No. 2002-38⁶⁰ dated December 26, 2002 in Inter Partes Case No. 14-2000-00003 entitled "*La Chemise Lacoste S.A. v. Siam Pan Trading Co. Ltd.*" wherein the IPO-BLA considered therein applicant's mark as confusingly similar to Lacoste's mark; and (b) the doctrine of trademark dilution as pronounced in the Court's ruling in *Levi Strauss & Co. v. Clinton Apparelle, Inc.*⁶¹

Lacoste's insistence is untenable.

As regards the first argument, suffice it to say that *Siam Pan* cannot be deemed as a binding precedent in this case simply because it is only a ruling of the IPO-BLA and not the Court; hence, it has no *stare decisis* effect in this case.⁶² On a more basic level, the factual circumstances in *Siam Pan* and the instant case are different. As aptly put by the IPO-DG, "[i]n trademark cases, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set of rules can be deduced. Each case is decided on its own merits. As the likelihood of confusion of goods or business is a relative concept, to be determined only according to the particular, and sometimes peculiar, circumstances of each case, the complexities attendant to an accurate assessment of likelihood of such confusion requires that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined."⁶³ Thus, Crocodile correctly contended that *Siam Pan* is not a principle of law but merely a finding of facts applicable to the peculiar and unique circumstances of said case and which cannot be applied on all fours hereto.⁶⁴

As regards the second argument, *Levi Strauss* instructs that trademark dilution has been defined as "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of: (1) competition between the owner of the famous mark and other

⁶⁰ *Rollo*, vol. 3, pp. 1100–1107. Penned by Bureau of Legal Affairs Director Estrellita Beltran-Abelardo.

⁶¹ 507 Phil. 238 (2005) [Per J. Tinga, Second Division].

⁶² "The doctrine of *stare decisis* enjoins adherence to judicial precedents. **It requires courts in a country to follow the rule established in a decision of the Supreme Court thereof.** That decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine of *stare decisis* is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument." *Lazatin v. Desierto*, 606 Phil. 271, 282 (2009) [Per J. Peralta, Third Division], citing *Fermin v. People*, 573 Phil. 278, 287 (2008) [Per J. Nachura, Third Division].

⁶³ *Rollo*, vol. 4, p. 1902. (Citations omitted)

⁶⁴ *Id.* at 2099.

parties; or (2) likelihood of confusion, mistake or deception.”⁶⁵ *Levi Strauss* further elucidates that trademarks are eligible for protection upon finding that: (1) the trademark sought to be protected is famous and distinctive; (2) the use by Crocodile of the mark began after the Lacoste’s mark became famous; and (3) such subsequent use defames Lacoste’s mark.⁶⁶

A careful perusal of the records of this case reveals that Lacoste’s allegation of trademark dilution is merely speculative for lack of sufficient basis. While it is true that: (a) Lacoste’s mark is considered as an internationally well-known mark; and (b) Lacoste had first used its mark in the global market in 1933, or years before Crocodile introduced its own mark in 1949, there is no showing that Crocodile in any way—at least on the basis of the evidence presented by Lacoste—defamed or disparaged Lacoste’s mark. As a matter of fact, in adherence to their Mutual Co-Existence Agreement, Crocodile even facilitated the registration of Lacoste’s mark in different jurisdictions by giving consent to Lacoste’s entry in countries where Crocodile first registered its mark. It is further not amiss for the Court to point out that like Lacoste, Crocodile has taken great pains to acquire goodwill in favor of its mark through its long-established use and intensive promotion in different countries. The Court even sees no intent on the part of Crocodile to ride on the goodwill of Lacoste by reason of their long-standing co-existence with one another in different countries worldwide. All told, evidence is wanting as to Crocodile’s capacity to tarnish Lacoste’s mark or even an intent on its part to do so. Neither does Crocodile’s mark falsely suggest a connection with Lacoste’s mark so as to blur the distinctive quality of the latter.

At this juncture, the Court deems it relevant, though not raised in the Petition, to settle the issue on the admissibility of The Project Copy Cat, as consumer survey evidence, in view of its jurisprudential value.

In the recent case of *Ginebra v. Tanduay*,⁶⁷ the Court declared the importance of survey evidence in establishing likelihood of confusion in trademark disputes. It explained that “[a] consumer survey that measures consumer confusion is an effective way to ensure that trademark infringement cases are decided based on empirical facts about likely consumer confusion instead of on judicial assumptions about how consumers are likely to respond. Indeed, survey evidence can measure whether an appreciable number of relevant consumers are likely to be confused by a mark that may or may not already be in the marketplace and offers an economical and systematic way to gather information and draw inferences about a large number of individuals.”⁶⁸

⁶⁵ 507 Phil. 238, 254 (2005) [Per J. Tinga, Second Division].

⁶⁶ *Id.* at 255.

⁶⁷ G.R. Nos. 196372, 210224, 216104 & 219632, August 9, 2022 [Per C.J. Gesmundo, *En Banc*].

⁶⁸ *Id.*

Ginebra further expounded on the probative value of consumer survey evidence in light of its hearsay character.⁶⁹ There, the Court, guided by the leading U.S. case of *Zippo Mfg. Co. v. Rogers Imps., Inc.*,⁷⁰ laid down “two technically distinct bases” to justify the admissibility of survey evidence *viz.*: necessity and trustworthiness.

As regards necessity, *Ginebra*, citing *Zippo*, explained that “[n]ecessity . . . requires a comparison of the probative value of the survey with the evidence, if any, which as a practical matter could be used if the survey were excluded. If the survey is more valuable, then necessity exists for the survey, i.e., it is the inability to get ‘evidence of the same value’ which makes the hearsay statement necessary.”⁷¹

Pursuant to this pronouncement, the Court finds for the necessity of consumer survey evidence in this case. Notably, to determine the presence of actual confusion, it is imperative to resort to the relevant consuming public’s perception of the contending marks. This perception, however, may only be captured through conduct of survey done and analyzed in accordance with scientifically accepted procedure. Indeed, the Court finds no other practical means of determining the existence of actual confusion, than to get a representative sample of the population and personally elicit from them their perception of the marks.

Anent trustworthiness, the Court, in *Ginebra*, citing the Manual for Complex Litigation⁷² of the Federal Judicial Center⁷³ elucidated the factors that should be considered in determining the reliability of consumer survey evidence, to wit:

1. **The universe was properly defined;**
2. **A representative sample of that universe was selected;**
3. **The questions to be asked of interviewees were framed in a clear, precise and non-leading manner;**
4. Sound interview procedures were followed by competent interviewers who had no knowledge of the litigation or the purpose for which the survey was conducted;
5. The data gathered was accurately reported;
6. The data was analyzed in accordance with accepted statistical principles; and
7. Objectivity of the entire process was assured.⁷⁴ (Emphasis supplied)

⁶⁹ In *Ginebra*, the Court explained that “[i]nitially, survey evidence was deemed inadmissible in court proceedings because it was treated as hearsay since the respondents who answered the survey are not presented during trial; it is only the survey-supervisor who testifies as an expert witness during trial.”

⁷⁰ 216 F. Supp. 670 (1963).

⁷¹ G.R. Nos. 196372, 210224, 216104 & 219632, August 9, 2022 [Per C.J. Gesmundo, *En Banc*].

⁷² Manual for Complex Litigation, §11.493., p. 103 (Federal Judicial Center 4th ed. 2004).

⁷³ The Federal Judicial Center is the research and education agency of the judicial branch of the U.S. government. See Federal Judicial Center <https://www.fjc.gov/> (last accessed on May 26, 2022).

⁷⁴ G.R. Nos. 196372, 210224, 216104 & 219632, August 9, 2022 [Per C.J. Gesmundo, *En Banc*].

Guided by the foregoing considerations, the Court holds that the requisite factor of trustworthiness, as instructed by *Zippo*, was not established by Lacoste. Hence, The Project Copy Cat cannot be given probative weight in this case.

First, in the testimony of Salvino-Feldia of Consumer Vibe Asia, Inc., an expert witness who delivered a presentation of The Project Copy Cat before the IPO, she discussed that said survey was “conducted in GMA among 450 respondents[,]” without, however, clearly identifying the population size from which the representative sample of 450 respondents were selected. Instead, Salvino-Feldia merely defined the general criteria it set for choosing the 450 survey respondents, to wit: (a) male/female from ABCD socio-economic classes; (b) 18 to 60 years old; and (c) those who purchase apparel and/or accessories at least once every three months. These criteria, notwithstanding, the records remain silent as to the extent of this population, or to be exact, how many consist this population. Notably, this information is necessary as this would be determinative of whether the sample tested would be reflective of the view of the relevant market, depending on the margin of error set for the survey.

Second, while Salvino-Feldia indicated the sample size of 450 respondents, there was no discussion, however, whether this number is numerically representative of the relevant consuming public or if the same is “sufficiently large to contain a wide spectrum of personal attributes and behavior within the universe.”⁷⁵ Again, this cannot be determined if the population, and its extent, were not clearly defined in the first place. Moreover, Salvino-Feldia’s presentation neither explained how the sample was distributed, nor stated the procedure used in determining its size, within the areas in the Greater Manila Area. Relative to this, the case of *Ginebra*, through the expert witness presented therein, defined a representative sample as “**a number of people randomly selected following accepted scientific sampling procedures.**” Here, there was no mention of such procedure or whether one was adopted to begin with.

Finally, Salvino-Feldia testified that the survey entailed a face-to-face interview using a structured questionnaire. While some of these questions were mentioned in a scattered manner throughout Salvino-Feldia’s presentation, no list of all these questions, or even a copy of the questionnaire, was given for the IPO or the Court’s scrutiny. Hence, it cannot be definitively determined if the same were indeed framed or asked in a nonleading manner.

⁷⁵ In the case of *Ginebra*, the expert witness therein explained how the sample size in their survey was considered representative of their target market. It was mentioned that “[t]he size of the sample used for [their project was] sufficiently large to contain a wide spectrum of personal attributes and behavior within the universe,” which phrase, due to its relevance, was borrowed here.

SLC

Consequently, the Court holds that, regardless of the conclusion drawn from The Project Copy Cat, said survey remains without probative value for its failure to establish its trustworthiness based on the factors discussed above.

In light of the foregoing discussions, the Court finds no cogent reason to reverse the uniform rulings of the IPO-BLA, the IPO-DG, and the CA in denying Lacoste's opposition to Crocodile's Trademark Application No. 4-1996-116672 for the mark "CROCODILE AND DEVICE" for goods covered by Class 25 of the NCL. Hence, such application must be given due course.

As a final note, the Court quotes with approval Senior Associate Justice Marvic M.V.F. Leonen's Separate Concurring Opinion in *Asia Pacific Resources International Holdings, Ltd. v. Paperone, Inc.*,⁷⁶ where it is said that "[e]ven if products are found to be in the same market, in all cases of unfair competition, competition should be presumed. **Courts should take care not to interfere in a free and fair market, or to foster monopolistic practices.** Instead, they should confine themselves to prevent fraud and misrepresentation on the public."⁷⁷ Thus, absent showing of fraud and misrepresentation to the public, the Court should allow enterprises, such as Crocodile in this case, to enter the Philippine market through, among others, the registration of their trademarks.

ACCORDINGLY, the Petition is **DENIED**. The Decision of the Court of Appeals dated September 8, 2015 and the Resolution dated February 29, 2016 in CA-G.R. SP No. 137801 are hereby **AFFIRMED**.

SO ORDERED.

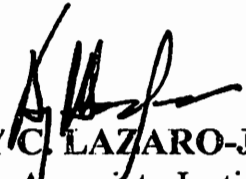

ANTONIO T. KHO, JR.
Associate Justice

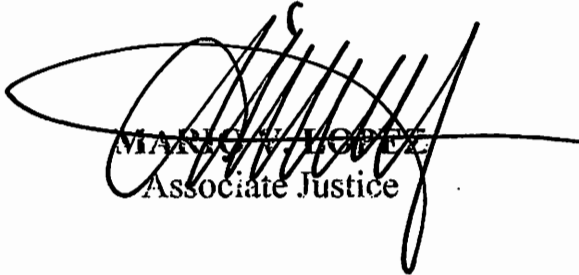
⁷⁶ 845 Phil. 85 (2018) [Per J. Gesmundo, Third Division].

⁷⁷ Dissenting Opinion of J. Leonen; *id.* at 108.

WE CONCUR:

On official business
MARVIC M.V.F. LEONEN
Senior Associate Justice

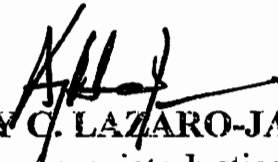

AMY C. LAZARO-JAVIER
Associate Justice
Acting Chairperson


MARIQ W. LOPEZ
Associate Justice


JHOSEP M. LOPEZ
Associate Justice

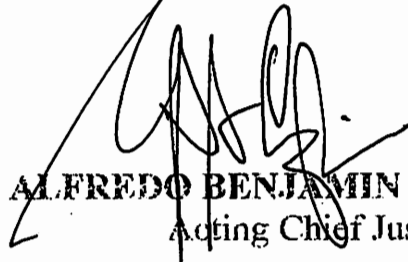
ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


AMY C. LAZARO-JAVIER
Associate Justice
Acting Chairperson, Second Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALFREDO BENJAMIN S. CAGUIOA
Acting Chief Justice

