

EN BANC

G.R. No. 228165 — KOLIN ELECTRONICS CO. INC., *Petitioner*, v.  
KOLIN PHILIPPINES INTERNATIONAL, INC., *Respondent*.

Promulgated:

February 9, 2021

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*drafted by A. P. ...*

SEPARATE CONCURRING OPINION

LEONEN, J.:

I concur in the result.

I agree with the *ponencia*'s finding that Kolin Philippines International, Inc.'s Application No. 4-2006-010021, for the mark "KOLIN" in Class 9, should be rejected on the basis of Kolin Electronics Co. Inc.'s valid and subsisting Registration No. 4-1993-087497 for the mark "KOLIN" in Class 9.

Section 147.1 of Republic Act No. 8293, as amended, otherwise known as the Intellectual Property Code, grants a registered mark's owner the exclusive right to prevent a third party from using an identical or similar sign in the course of trade, if the use would result in a likelihood of confusion.

Here, the "KOLIN" mark in Application No. 4-2006-010021 is demonstrably identical or similar to the mark "KOLIN" in Registration No. 4-1993-087497.<sup>1</sup> The intent and purpose of Application No. 4-2006-010021 is for Kolin Philippines International, Inc. to use its "KOLIN" mark in trade. The likelihood of, and even actual confusion was noted by the Intellectual Property Office-Bureau of Legal Affairs to be proven by queries from consumers directed to Kolin Electronics Co. Inc. regarding Kolin Philippines International, Inc.'s goods.<sup>2</sup> This likelihood of or actual confusion as to the origin of goods these companies sell is the damage that may be or has been sustained by Kolin Electronics Co. Inc., the oppositor to Kolin Philippines International, Inc.'s trademark application.<sup>3</sup> The Bureau of Legal Affairs and the Director-General of the Intellectual Property Office correctly sustained Kolin Electronics Co. Inc.'s opposition.

Likewise, I concur that the March 25, 2015 Decision of this Court's

<sup>1</sup> Draft Decision, pp. 29, 32.

<sup>2</sup> Id. at 14, citing the Bureau of Legal Affairs Decision.

<sup>3</sup> INTELLECTUAL PROPERTY CODE, sec. 134.

*[Handwritten mark]*

Third Division in *Taiwan Kolin Corp. Ltd. v. Kolin Electronics Co., Inc.*<sup>4</sup> (*Taiwan Kolin*) is not *res judicata* to this case.<sup>5</sup> Kolin Philippines International, Inc.'s status as an affiliate<sup>6</sup> company of Taiwan Kolin Corp. Ltd., which owns Registration No. 4-1996-106310 for the mark "KOLIN" in Class 9 is immaterial.<sup>7</sup> *Taiwan Kolin* should not serve as a bar to Kolin Electronics Co. Inc. opposing applications for, or seeking the cancellation of, any other mark which may damage it or diminish its rights to Registration No. 4-1993-078497. There is nothing in *Taiwan Kolin* that stipulated Taiwan Kolin Corp. Ltd.'s Registration No. 4-1996-106310's absolute dominion over any and all marks for "KOLIN" in Class 9, to the exclusion of Kolin Electronics Co. Inc.'s subsisting Registration No. 4-1993-078497. To otherwise bar Kolin Electronics Co. Inc. from doing so is to diminish its rights under Section 147.1 of the Intellectual Property Code, resulting from its valid registration.<sup>8</sup>

However, with all due respect, I disagree with the *ponencia's* ruling on the longstanding issue of how likelihood of confusion is determined in trade and service marks based on our jurisprudence in relation to the Intellectual Property Code.

## I

Entrenched in Article 8 of the Civil Code,<sup>9</sup> the principle of *stare decisis et non quieta movere* requires our courts to follow rules established in this Court's final decisions:

The principle of *stare decisis* enjoins adherence to judicial precedents. It requires courts in a country to follow the rule established in a decision of its Supreme Court. That decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine 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.<sup>10</sup> (Citation omitted)

When this Court has laid down a legal principle applicable to a particular set of facts, that principle must be applied to all succeeding cases of similar factual antecedents, regardless of the identity of the parties or objects

<sup>4</sup> G.R. No. 209843, March 25, 2015, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/59645>> [Per J. Velasco, Jr., Third Division].

<sup>5</sup> Draft Decision, pp. 17–23.

<sup>6</sup> *Id.* at 17, citing the Court of Appeals Decision.

<sup>7</sup> *Id.* at 18.

<sup>8</sup> INTELLECTUAL PROPERTY CODE, sec. 122 provides:  
SECTION 122. How Marks are Acquired. — The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law.

<sup>9</sup> CIVIL CODE, art. 8 provides:

Art. 8. Judicial decisions applying or interpreting the laws or the Constitution shall form part of the legal system of the Philippines.

<sup>10</sup> *Government Service Insurance System v. Buenviaje-Carreon*, 692 Phil. 399, 405 (2012) [Per J. Perez, En Banc].

under litigation. Predictable application of judicial precedents ensures certainty in adjudication:

Under the doctrine, when the Supreme Court has once laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle, and apply it to all future cases, where facts are substantially the same; regardless of whether the parties and property are the same. The doctrine of stare decisis is based upon the legal principle or rule involved and not upon the judgment which results therefrom. In this particular sense stare decisis differs from res judicata which is based upon the judgment.

The doctrine of *stare decisis* is one of policy grounded on the necessity for securing certainty and stability of judicial decisions, thus:

Time and again, the Court has held that it is a very desirable and necessary judicial practice that when a court has laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle and apply it to all future cases in which the facts are substantially the same. *Stare decisis et non quieta movere*. Stand by the decisions and disturb not what is settled. Stare decisis simply means that for the sake of certainty, a conclusion reached in one case should be applied to those that follow if the facts are substantially the same, even though the parties may be different. It proceeds from the first principle of justice that, absent any powerful countervailing considerations, like cases ought to be decided alike. Thus, where the same questions relating to the same event have been put forward by the parties similarly situated as in a previous case litigated and decided by a competent court, the rule of stare decisis is a bar to any attempt to relitigate the same issue.<sup>11</sup> (Citations omitted, emphasis in the original)

Because of this, whenever possible, potentially conflicting doctrines laid down by this Court are harmonized, read together, subjected to exceptions, or distinguished, rather than outright abandoned.<sup>12</sup>

Nonetheless, the salutary goal of consistency must not amount to stubbornly perpetuating errors. In *Philippine Trust Company v. Mitchell*:<sup>13</sup>

Is the court with new membership compelled to follow blindly the doctrine of the Velasco case? The rule of *stare decisis* is entitled to respect. Stability in the law, particularly in the business field, is desirable. But

<sup>11</sup> *Department of Transportation and Communications v. Cruz*, 581 Phil. 602, 610–611 (2008) [Per J. Austra-Martinez, En Banc].

<sup>12</sup> *People v. Lee, Jr.*, G.R. No. 234618, September 19, 2019, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65713>> [Per J. Peralta, Third Division]; *Guy v. Ignacio*, 636 Phil. 689 (2010) [Per J. Peralta, Second Division]; *People v. Hon. Garfin*, 470 Phil. 211 (2004) [Per J. Puno, Second Division]; *Alfonso v. Land Bank of the Philippines*, 801 Phil. 217 (2016) [Per J. Jardeleza, En Banc]; *People v. Obsania*, 132 Phil. 682 (1968) [Per J. Castro, En Banc]; *Zuneca Pharmaceutical v. Natrapharm, Inc.*, G.R. No. 211850, September 8, 2020, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/66500>> [Per J. Caguioa, En Banc].

<sup>13</sup> 59 Phil. 30 (1933) [Per J. Malcolm, Second Division].

idolatrous reverence for precedent, simply as precedent, no longer rules. More important than anything else is that the court should be right. And particularly is it not wise to subordinate legal reason to case law and by so doing perpetuate error when it is brought to mind that the views now expressed conform in principle to the original decision and that since the first decision to the contrary was sent forth there has existed a respectable opinion of non-conformity in the court. Indeed, on at least one occasion has the court broken away from the revamped doctrine, while even in the last case in point the court was as evenly divided as it was possible to be and still reach a decision.<sup>14</sup>

The abandonment of established doctrines becomes necessary when motivated by strong and compelling reasons<sup>15</sup> based on changes in law or public policy, evolving conditions, or the most pressing considerations of justice.

In *Villaflor v. Summers*,<sup>16</sup> this Court refused to follow United States cases in deciding the extent of the right to self-incrimination in this country:

So much for the authorities. For the nonce we would prefer to forget them entirely, and here in the Philippines, being in the agreeable state of breaking new ground, would rather desire our decision to rest on a strong foundation of reason and justice than on a weak one of blind adherence to tradition and precedent. Moreover, we believe that an unbiased consideration of the history of the constitutional provision will disclose that our conclusion is in exact accord with the causes which led to its adoption.<sup>17</sup>

In *Tan Chong v. Secretary of Labor*,<sup>18</sup> this Court overturned prior cases that bestowed citizenship based on *jus soli* because their application would violate the law which was then in force:

The principle of *stare decisis* does not mean blind adherence to precedents. The doctrine or rule laid down, which has been followed for years, no matter how sound it may be, if found to be contrary to law, must be abandoned. The principle of *stare decisis* does not and should not apply when there is conflict between the precedent and the law. The duty of this Court is to forsake and abandon any doctrine or rule found to be in violation of the law in force.

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Considering that the common law principle or rule of *jus soli* obtaining in England and in the United States, as embodied in the Fourteenth Amendment to the Constitution of the United States, has never

<sup>14</sup> Id. at 36.

<sup>15</sup> *Quintanar v. Coca-Cola Bottlers, Philippines, Inc.*, G.R. No. 210565, June 28, 2016, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/62078>> [Per J. Mendoza, En Banc], citing *Pepsi-Cola Products Philippines, Incorporated v. Pagdanganan*, 535 Phil. 540–555 (2006) [Per J. Chico-Nazario, First Division].

<sup>16</sup> 41 Phil. 62 (1920) [Per J. Malcolm, En Banc].

<sup>17</sup> Id. at 68.

<sup>18</sup> 79 Phil. 249 (1947) [Per J. Padilla, First Division].

been extended to this jurisdiction (section 1, Act of 1 July 1902; sec. 5, Act of 29 August 1916); considering that the law in force and applicable to the petitioner and the applicant in the two cases at the time of their birth is sec. 4 of the Philippine Bill (Act of 1 July 1902), as amended by Act of 23 March 1912, which provides that only those “inhabitants of the Philippine Islands continuing to reside therein who were Spanish subjects on the 11th day of April, 1899; and then resided in said Islands, and their children born subsequent thereto, shall be deemed and held to be citizens of the Philippine Islands,” we are of the opinion and so hold that the petitioner in the first case and the applicant in the second case, who were born of alien parentage, were not and are not, under said section, citizens of the Philippine Islands.<sup>19</sup>

In *Urbano v. Chavez*,<sup>20</sup> this Court abandoned a series of cases that had previously authorized the Office of the Solicitor General to represent a public official at any stage of a criminal case. It did so by finding anomalous the consequences of this authority:

However, under the doctrine announced in *Anti-Graft League of the Philippines, Inc. and Garrido*, the Office of the Solicitor General is authorized to enter its appearance as counsel for any public official, against whom a criminal charge had been instituted, during the preliminary investigation stage thereof. Nevertheless, in the same case, this Court held that once an information is filed against the public official, the Office of the Solicitor General can no longer represent the said official in the litigation. The anomaly in this paradigm becomes obvious when, in the event of a judgment of conviction, the case is brought on appeal to the appellate courts. The Office of the Solicitor General, as the appellate counsel of the People of the Philippines, is expected to take a stand against the accused. More often than not, it does. Accordingly, there is a clear conflict of interest here, and one which smacks of ethical considerations, where the Office of the Solicitor General, as counsel for the public official, defends the latter in the preliminary investigation stage of the criminal case, and where the same office, as appellate counsel of the People of the Philippines, represents the prosecution when the case is brought on appeal. This anomalous situation could not have been contemplated and allowed by the law, its unconditional terms and provisions notwithstanding. It is a situation which cannot be countenanced by the Court.

Otherwise, if the Solicitor General who represents the state on appeal in criminal cases can appear for the accused public official in a preliminary investigation, then by the same token a provincial or city fiscal, his assistant or any government prosecutor who represents the People of the Philippines at the preliminary investigation of a case up to the trial thereof can appear for an accused public official at the preliminary investigation being conducted by another fiscal, prosecutor or municipal judge. The situation would simply be scandalous, to say the least.

There is likewise another reason, as earlier discussed, why the Office of the Solicitor General cannot represent an accused in a criminal case. Inasmuch as the State can speak and act only by law, whatever it does say and do must be lawful, and that which is unlawful is not the word or deed of the State, but is the mere wrong or trespass of those individual

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<sup>19</sup> Id. at 257–258.

<sup>20</sup> 262 Phil. 374 (1990) [Per J. Gancayco, En Banc].

persons who falsely speak and act in its name. Therefore, the accused public official should not expect the State, through the Office of the Solicitor General, to defend him for a wrongful act which cannot be attributed to the State itself. In the same light, a public official who is sued in a criminal case is actually sued in his personal capacity inasmuch as his principal, the State, can never be the author of a wrongful act, much less commit a crime.

Thus, the Court rules that the Office of the Solicitor General is not authorized to represent a public official at any stage of a criminal case. For this reason, the doctrine announced in *Anti-Graft League of the Philippines, Inc. v. Hon. Ortega and Solicitor General v. Garrido*, and all decided cases affirming the same; in so far as they are inconsistent with this pronouncement, should be deemed abandoned. The principle of *stare decisis* notwithstanding, it is well-settled that a doctrine which should be abandoned or modified should be abandoned or modified accordingly. After all, more important than anything else is that this Court should be right.<sup>21</sup> (Citation omitted)

Thirty years after the promulgation of *Gerona v. Secretary of Education*,<sup>22</sup> this Court overturned the compulsory nature of school flag salutes in *Ebralinag v. The Division of Superintendent of Schools of Cebu*<sup>23</sup> as a recognition of the fundamental right to religious freedom:

Our task here is extremely difficult, for the 30-year-old decision of this Court in *Gerona* upholding the flag salute law and approving the expulsion of students who refuse to obey it, is not lightly to be trifled with.

It is somewhat ironic however, that after the *Gerona* ruling had received legislative cachet by its incorporation in the Administrative Code of 1987, the present Court believes that the time has come to reexamine it. The idea that one may be compelled to salute the flag, sing the national anthem, and recite the patriotic pledge, during a flag ceremony on pain of being dismissed from one's job or of being expelled from school, is alien to the conscience of the present generation of Filipinos who cut their teeth on the Bill of Rights which guarantees their rights to free speech \*\* and the free exercise of religious profession and worship[.]<sup>24</sup>

Likewise, this Court in *Ebralinag* also found that the dire situations feared in *Gerona* did not actually occur:

The situation that the Court directly predicted in *Gerona* that:

“[T]he flag ceremony will become a thing of the past or perhaps conducted with very few participants, and the time will come when we would have citizens untaught and uninculcated in and not imbued with reverence for the flag and love of country, admiration for national heroes, and patriotism — a pathetic, even tragic situation, and all because a small portion of the school population imposed its

<sup>21</sup> Id. at 383–385.

<sup>22</sup> 106 Phil. 2 (1959) [Per J. Montemayor, En Banc].

<sup>23</sup> G.R. No. 95770, March 1, 1993 [Per J. Grifo-Aquino, En Banc].

<sup>24</sup> Id.

will, demanded and was granted an exemption.”

has not come to pass. We are not persuaded that by exempting the Jehovah’s Witnesses from saluting the flag, singing the national anthem and reciting the patriotic pledge, this religious which admittedly comprises a “small portion of the school population” will shake up our part of the globe and suddenly produce a nation “untaught and uninculcated in and unimbued with reverence for the flag, patriotism, love of country and admiration for national heroes[.]” . . . After all, what the petitioners seek only is exemption from the flag ceremony, not exclusion from the public schools where they may study the Constitution, the democratic way of life and form of government, and learn not only the arts, science, Philippine history and culture but also receive training for a vocation or profession and be taught the virtues of “patriotism, respect for human rights, appreciation for national heroes, the rights and duties of citizenship, and moral and spiritual values. . . as part of the curricula. Expelling or banning the petitioners from Philippine schools will bring about the very situation that this Court had feared in *Gerona*. Forcing a small religious group, through the iron hand of the law, to participate in a ceremony that violates their religious beliefs, will hardly be conducive to love of country or respect for duly constituted authorities.<sup>25</sup> (Citations omitted)

In *Bustamante v. National Labor Relations Commission*,<sup>26</sup> this Court reconsidered its continued application of the 1974 case of *Mercury Drug Co., Inc. v. Court of Industrial Relations*<sup>27</sup> on the extent of an illegally dismissed employee’s entitlement to backwages, because of the passage of a 1989 amendment to the Labor Code of the Philippines. Thus:

In sum, during the effectivity of P.D. 442, the Court enforced the Mercury Drug rule and, in effect, qualified the provision under P.D. No. 442 by limiting the award of backwages to three (3) years.

On 21 March 1989, Republic Act No. 6715 took effect, amending the Labor Code. Article 279 thereof states in part:

“ART. 279. Security of Tenure. — . . . An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation is withheld from him up to the time of his actual reinstatement.”

In accordance with the above provision, an illegally dismissed employee is entitled to his full backwages from the time his compensation was withheld from him (which as a rule is from the time of his illegal dismissal) up to the time of his actual reinstatement. It is true that this Court had ruled in the case of *Pines City Educational Center vs. NLRC*. . . that “in ascertaining the total amount of backwages payable to them (employees), we go back to the rule prior to the Mercury Drug rule that the total amount derived from employment elsewhere by the employee from the date of

<sup>25</sup> Id.

<sup>26</sup> 332 Phil. 833 (1996) [Per J. Padilla, En Banc].

<sup>27</sup> 155 Phil. 636 (1974) [Per J. Makasiar, En Banc].

dismissal up to the date of reinstatement, if any, should be deducted therefrom.” The rationale for such ruling was that, the earnings derived elsewhere by the dismissed employee while litigating the legality of his dismissal, should be deducted from the full amount of backwages which the law grants him upon reinstatement, so as not to unduly or unjustly enrich the employee at the expense of the employer.

The Court deems it appropriate, however, to reconsider such earlier ruling on the computation of backwages as enunciated in said Pines City Educational Center case, by now holding that conformably with the evident legislative intent as expressed in Rep. Act No. 6715, above-quoted, backwages to be awarded to an illegally dismissed employee, should not, as a general rule, be diminished or reduced by the earnings derived by him elsewhere during the period of his illegal dismissal. The underlying reason for this ruling is that the employee, while litigating the legality (illegality) of his dismissal, must still earn a living to support himself and family, while full backwages have to be paid by the employer as part of the price or penalty he has to pay for illegally dismissing his employee. The clear legislative intent of the amendment in Rep. Act No. 6715 is to give more benefits to workers than was previously given them under the Mercury Drug rule or the “deduction of earnings elsewhere” rule. Thus, a closer adherence to the legislative policy behind Rep. Act No. 6715 points to “full backwages” as meaning exactly that, i.e., without deducting from backwages the earnings derived elsewhere by the concerned employee during the period of his illegal dismissal. In other words, the provision calling for “full backwages” to illegally dismissed employees is clear, plain and free from ambiguity and, therefore, must be applied without attempted or strained interpretation. *Index animi sermo est.*

Therefore, in accordance with R.A. No. 6715, petitioners are entitled to their full backwages, inclusive of allowances and other benefits or their monetary equivalent, from the time their actual compensation was withheld from them up to the time of their actual reinstatement.<sup>28</sup> (Citations omitted)

In *Carpio Morales v. Court of Appeals (Sixth Division)*,<sup>29</sup> the textual strengthening of the Constitutional principle that public office is a public trust underpinned this Court’s abandonment of the condonation doctrine developed in *Pascual v. Hon. Provincial Board of Nueva Ecija*<sup>30</sup>, *Aguinaldo v. Santos*,<sup>31</sup> and other cases. A stronger legal norm towards the accountability of public officers made untenable the notion that elections may bestow absolution for administrative offenses:

Reading the 1987 Constitution together with the above-cited legal provisions now leads this Court to the conclusion that the doctrine of condonation is actually bereft of legal bases.

To begin with, the concept of public office is a public trust and the corollary requirement of accountability to the people at all times, as mandated under the 1987 Constitution, is plainly inconsistent with the idea that an elective local official’s administrative liability for a misconduct

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<sup>28</sup> Id. at 841–843.

<sup>29</sup> 772 Phil. 672 (2015) [Per J. Perlas-Bernabe, En Banc].

<sup>30</sup> 106 Phil. 466 (1959) [Per J. Gutierrez-David, En Banc].

<sup>31</sup> 287 Phil. 851 (1992) [Per J. Nocon, En Banc].



committed during a prior term can be wiped off by the fact that he was elected to a second term of office, or even another elective post. Election is not a mode of condoning an administrative offense, and there is simply no constitutional or statutory basis in our jurisdiction to support the notion that an official elected for a different term is fully absolved of any administrative liability arising from an offense done during a prior term. In this jurisdiction, liability arising from administrative offenses may be condoned by the President in light of Section 19, Article VII of the 1987 Constitution which was interpreted in *Llamas v. Orbos* to apply to administrative offenses[.]<sup>32</sup> (Citation omitted)

In reexamining its own doctrines, this Court must actively and judiciously thread the needle between predictable application of established rules, and rejection of those same rules when justice requires. We must base the abandonment of any established doctrine on a nuanced and expansive review of why that doctrine existed in the first place, and now, why our continuing reliance on it is fundamentally untenable.

## II

For a trade or service mark to be registered and its owner entitled to all rights and protections granted under the Intellectual Property Code, it must undergo the processes of examination and publication outlined in the law:

Under the Intellectual Property Code, marks applied for registration must undergo examination and publication, and the application may be opposed by any person who believes that they may be damaged by the registration. Examination, publication, and opposition are integral to the registration process. By having all marks undergoing all these steps, the Philippine Intellectual Property Office ensures the integrity of the Philippine Trademark Database along with the validity of all registered marks in it, protecting the rights of existing trade and service mark registrants, as well as other relevant stakeholders.<sup>33</sup> (Citations omitted)

Once the application for a mark has been published, it may be opposed by any person on the basis that they would be damaged by its registration:

SECTION 134. *Opposition.* — Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application. Such opposition shall be in writing and verified by the oppositor or by any person on his behalf who knows the facts, and shall specify the grounds on which it is based and include a statement of the facts relied upon. Copies of certificates of registration of marks registered in other countries or other supporting documents mentioned in the opposition shall be filed therewith, together with the translation in English, if not in the English language. For

<sup>32</sup> *Carpio Morales v. Court of Appeals*, 772 Phil. 672, 769–770 (2015) [Per J. Perlas-Bernabe, En Banc].

<sup>33</sup> J. Leonen, Dissenting Opinion, *Prosel Pharmaceuticals v. Tynor Drug House*, G.R. No. 248021, September 30, 2020 [Per J. Carandang, Third Division].

good cause shown and upon payment of the required surcharge, the time for filing an opposition may be extended by the Director of Legal Affairs, who shall notify the applicant of such extension. The Regulations shall fix the maximum period of time within which to file the opposition. (Emphasis supplied)

“Any person” had been construed by this Court to include a prior and continuous user of the mark who is deemed its true owner,<sup>34</sup> though this Court has recently held that the rule of ownership of a mark based on prior use is incompatible with the Intellectual Property Code.<sup>35</sup>

However, should a mark be registered without opposition, any person who believes that they have been or will be damaged by its registration may still file a petition to cancel its registration, under the Intellectual Property Code:

SECTION 151. *Cancellation.* — 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

(a) Within five (5) years from the date of the registration of the mark under this Act.

(b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods and services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.

(c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or cause it to be used in the Philippines by virtue of a license during an uninterrupted period of three (3) years or longer.

<sup>34</sup> *E.Y. Industrial Sales, Inc. v. Shen Dar Electricity and Machinery Co. Ltd.*, 648 Phil. 572 (2010) [Per J. Velasco, Jr., First Division].

<sup>35</sup> *Zuneca Pharmaceutical v. Natrapharm, Inc.*, G.R. No. 211850, September 8, 2020, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/66500>> [Per J. Caguioa, En Banc].

151.2. Notwithstanding the foregoing provisions, the court of the administrative agency vested with jurisdiction to hear and adjudicate any action to enforce the rights to a registered mark shall likewise exercise jurisdiction to determine whether the registration of said mark may be cancelled in accordance with this Act. The filing of a suit to enforce the registered mark with the proper court or agency shall exclude any other court or agency from assuming jurisdiction over a subsequently filed petition to cancel the same mark. On the other hand, the earlier filing of petition to cancel the mark with the Bureau of Legal Affairs shall not constitute a prejudicial question that must be resolved before an action to enforce the rights to same registered mark may be decided.

The remedies of opposition to a trade or service mark application and cancellation of a registration are distinct from the remedies of infringement,<sup>36</sup> unfair competition,<sup>37</sup> and false designations of origin and false description or representation.<sup>38</sup> All the same, the remedy of cancellation of registration is available in any action involving a registered mark.<sup>39</sup>

Generally, the owner of a registered mark has the exclusive right to prevent unauthorized third parties from using “identical or similar signs” to their registered mark in “the course of trade,” when the use would result in a likelihood of confusion:

SECTION 147. *Rights Conferred.* – 147.1. Except in cases of importation of drugs and medicines allowed under Section 72.1 of this Act and of off-patent drugs and medicines, the owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

There shall be no infringement of trademarks or tradenames of imported or sold patented drugs and medicines allowed under Section 72.1 of this Act, as well as imported or sold off-patent drugs and medicines; *Provided*, That, said drugs and medicines bear the registered marks that have not been tampered, unlawfully modified, or infringed upon, under Section 155 of this Code.

Taking together Sections 134 and 147 of the Intellectual Property Code, the owner of a registered mark, if they should so choose, may oppose another’s application for trade or service mark registration if they believe that

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<sup>36</sup> INTELLECTUAL PROPERTY CODE, secs. 155–156.

<sup>37</sup> INTELLECTUAL PROPERTY CODE, sec. 168.

<sup>38</sup> INTELLECTUAL PROPERTY CODE, sec. 169.

<sup>39</sup> Intellectual Property Code, sec. 161 provides:

SECTION 161. *Authority to Determine Right to Registration.* — In any action involving a registered mark, the court may determine the right to registration, order the cancellation of a registration, in whole or in part, and otherwise rectify the register with respect to the registration of any party to the action in the exercise of this. Judgment and orders shall be certified by the court to the Director, who shall make appropriate entry upon the records of the Bureau, and shall be controlled thereby. (Emphasis supplied)

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they will be damaged by the other's registration. Further, Section 151 allows the owner to petition for the cancellation of the other mark's registration on a similar basis. This is founded on the owner's exclusive right in Section 147, which means the owner must show that: first, the third party (in this instance, the applicant or other registrant) is using an identical or similar sign as the registered mark; second, the use is in the course of trade; and third, the use would result in a likelihood of confusion. A presumption of likelihood of confusion arises when an identical sign is used for identical goods or services, which the applicant or other registrant must then rebut.

Although intertwined and often inseparable, the two distinct concepts of a mark as defined in Section 121.1 of the Intellectual Property Code<sup>40</sup> are (1) a "visible sign"<sup>41</sup> by itself and (2) its capability to distinguish an enterprise's goods or services. If the distinctions between the two concepts were irrelevant, then the Intellectual Property Code in Section 147 would not have needed to stipulate that both the sign, and the goods or services for which the sign is used must be identical for a presumption of likelihood of confusion to arise. Likewise, the registrability of a mark can depend, alternately, on whether it is "identical with", or "identical with, or confusingly similar to" another mark.<sup>42</sup>

Whether the issue concerns marks as visible signs by themselves, or their capability to distinguish an enterprise's goods or services, in trade or service mark applications, registrations, or infringement, one common element is likelihood of confusion.<sup>43</sup>

Should the two visible signs at issue be absolutely identical in every way, the case's resolution may depend on another factor, such as the determination of the true owner of the mark.<sup>44</sup> However, once there are visible differences between the marks, the question then turns to the degree of similarity:

Next, before we consider the resemblances between these two

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<sup>40</sup> INTELLECTUAL PROPERTY CODE, Sec. 121.1 states:

SECTION 121. *Definitions.* — As used in Part III, the following terms have the following meanings:  
121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods[.]

<sup>41</sup> A "visible sign" encompasses any word, name, symbol, emblem, sign, device, drawing, or figure (*Arce Sons and Company v. Selecta Biscuit Company, Inc.*, 110 Phil. 858, 867–868 (1961) [Per J. Bautista Angelo, En Banc]), so long as it is otherwise not prohibited by the Intellectual Property Code from being registrable.

<sup>42</sup> INTELLECTUAL PROPERTY CODE, sec. 123(d), (e), and (f).

<sup>43</sup> Footnote 68 of *Somboonsakdikul v. Orlane S.A.*, 805 Phil. 37–58 (2017) [Per J. Jardeleza, Third Division], which noted: "... We note that while in *Mighty Corporation*, likelihood of confusion was discussed in relation to trademark infringement, the concept is similarly applicable to an application for trademark registration under Section 123.1(d). Thus, in *Great White Shark Enterprises, Inc. v. Caralde, Jr.*, supra note 65, which originated from a trademark application case, we discussed the dominancy test and holistic test as modes of determining similarity or likelihood of confusion and consequently, determining whether a mark is capable of registration under Section 123.1(d)."

<sup>44</sup> *E.Y. Industrial Sales, Inc. v. Shen Dar Electricity and Machinery Co., Ltd.*, 648 Phil. 572 (2010) [Per J. Velasco, Jr., First Division].

marks, we should have before us some of the applicable principles which go to make up the law of trade-marks and unfair competition. Similarity, as we have said, is the test of infringement of a trade-mark. Moreover, this is not such similitude as amounts to identity. Exact copies could hardly be expected to be found. If the form, marks, contents, words, or other special arrangement or general appearance of the words of the alleged infringer's device, are such as would be likely to mislead persons in the ordinary course of purchasing the genuine article, then the similarity is such as entitles the injured party to equitable protection, if he takes seasonable measures to assert his rights and prevent their continued invasion. The deceptive tendency indicated by copying or imitating the substantial and distinctive part of the trade-mark, so as to pass off the goods of one man as those of another, is sufficient to show infringement. In all cases the court will inspect the trade-marks to discover both the differences and the resemblances. Relief will ordinarily be granted when it is manifest from a comparison of the two trade-marks or articles that one was copied from the other.

....

To quote the language of Lurton, J., "When there are found strong resemblances, the natural inquiry for the court is, why do they exist? If no sufficient answer appears, the inference is that they exist for the purpose of misleading[.]"<sup>45</sup> (Citations omitted)

To determine the degree of similarity necessary for a finding of infringement, or entitlement to a denial of application or cancellation of registration, of a mark, jurisprudence has historically evaluated them in one of two ways.

As early as 1954, the test of dominancy has been used to determine whether a mark is confusingly similar to another. In *Co Tiong Sa v. Director of Patents*:<sup>46</sup>

The first four assignments of error are related to each other and may be considered together. There is no question that if the details of the two trademarks are to be considered, many differences would be noted that would enable a careful and scrutinizing eye to distinguish one trademark from the other. Thus, we have the vignette of a man wearing a tophat, which would distinguish the oppositor's label from the triangle with the letter "F" on the right hand corner of applicant's label. Then we also have the rectangle enclosing the applicant's mark, which rectangle is absent in that of the oppositor's. But differences of variations in the details of one trademark and of another are not the legally accepted tests of similarity in trademarks. *It has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Similarity in*

<sup>45</sup> *Forbes, Munn & Co. (Ltd.) v. Ang San To*, 40 Phil. 272, 275-277 (1919) [Per J. Malcolm, First Division]. See also *Sapolin Co., Inc. v. Balmaceda*, 67 Phil. 705 (1939) [Per J. Diaz, En Banc], which pointed out that an exact copy need not be proved, only that the "essential characteristics have been imitated or copied[;]" and "*La Insular*" *Cigar and Cigarette Factory, Inc. v. Oge*, 42 Phil. 366 [Per J. Street, Second Division], which recognized that if "colorable imitations, or suggestive reproductions of the trade-mark which they intend to appropriate" were not considered, the remedies available to a mark's owner would be unduly restricted.

<sup>46</sup> 95 Phil. 1 (1954) [Per J. Labrador, En Banc].

*size, form, and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and 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 at issue in cases of infringement of trademarks is whether the use of the marks involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers[.]

When would a trademark cause confusion in the mind of the public or in those unwary customers or purchasers? It must be remembered that infringement of a trademark is a form of unfair competition. . . and unfair competition is always a question of fact. The universal test has been said to be whether the public is likely to be deceived[.] .

When a person sees an object, a central or dominant idea or picture thereof is formed in his mind. This dominant picture or idea is retained in the mind, and the decorations or details are forgotten. When one sees the city hall of Baguio, the dominant characteristics which are likely to be retained in the mind are the portico in the middle of the building, the tower thereon, the four columns supporting it, and the wings on both sides. The features that are retained are the peculiar, dominant features. When one sees the Legislative Building in Manila, the picture that is retained is that of a majestic low building with concrete columns all around. In this mind-picture the slight or minor decorations are lost sight of, and the central figure only is retained. So is it with a customer or purchaser who sees a label. He retains in his mind the dominant characteristics or features or central idea in the label, and does not retain or forgets the attendant decorations, flourishes, or variations. The ordinary customer does not scrutinize the details of the label; he forgets or overlooks these, but retains a general impression, or a central figure, or a dominant characteristic[.]<sup>47</sup> (Citations omitted, emphasis supplied)

*Co Tiong Sa* has been reiterated in *Lim Hoa v. Director of Patents*,<sup>48</sup> *Operators, Inc. v. Director of Patents*,<sup>49</sup> *American Wire & Cable Company v. Director of Patents*,<sup>50</sup> *Philippine Nut Industry v. Standard Brands Incorporated*,<sup>51</sup> *Converse Rubber Corp. v. Universal Rubber Products, Inc.*,<sup>52</sup> and *Asia Brewery, Inc. v. Court of Appeals*,<sup>53</sup> among others.

When the Intellectual Property Code took effect in 1998, Section 155<sup>54</sup>

<sup>47</sup> Id. at 3–5.

<sup>48</sup> 100 Phil. 214 (1956) [Per J. Montemayor, En Banc].

<sup>49</sup> 122 Phil. 556 (1965) [Per J. Makalintal, En Banc].

<sup>50</sup> 142 Phil. 523 (1970) [Per J. Reyes, J.B.L., First Division].

<sup>51</sup> 160 Phil. 581 (1975) [Per J. Muñoz Palma, First Division].

<sup>52</sup> 231 Phil. 149 (1987) [Per J. Fernan, Second Division].

<sup>53</sup> G.R. No. 103543, July 5, 1993 [Per J. Griño-Aquino, En Banc].

<sup>54</sup> Intellectual Property Code, sec. 155 states:

SECTION 155. Remedies; Infringement. — Any person who shall, without the consent of the owner of the registered mark:

155.1. Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a dominant feature thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

codified the dominancy test.<sup>55</sup> In *ABS-CBN Publishing, Inc. v. The Director of the Bureau of Trademarks*:<sup>56</sup>

To determine whether a mark is to be considered as “identical” or that which is confusingly similar with that of another, the Court has developed two (2) tests: the dominancy and holistic tests. While the Court has time and again ruled that the application of the tests is on a case to case basis, upon the passage of the IPC, the trend has been to veer away from the usage of the holistic test and to focus more on the usage of the dominancy test. As stated by the Court in the case of *McDonald's Corporation vs. L.C. Big Mak Burger, Inc.*, the “test of dominancy is now explicitly incorporated into law in Section 155.1 of the Intellectual Property Code which defines infringement as the ‘colorable imitation of a registered mark x x x or a dominant feature thereof.’” This is rightly so because Sec. 155.1 provides that:

SECTION 155. Remedies; Infringement. — Any person who shall, without the consent of the owner of the registered mark:

155.1. Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a dominant feature thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or x x x.

In using this test, focus is to be given to the dominant features of the marks in question. In the 1954 case of *Co Tiong Sa vs. Director of Patents*, the Court, in using the dominancy test, taught that:

But differences of variations in the details of one trademark and of another are not the legally accepted tests of similarity in trademarks. It has been consistently held that the question of infringement of a trademark is to be determined by the test of dominancy. Similarity in size, form, and color, while relevant, is not conclusive. If the competing trademark contains the main or essential or dominant features of another, and confusion and deception is likely to result, infringement takes place.

The Court, in *Skechers, U.S.A., Inc. vs. Inter Pacific Industrial*

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155.2. Reproduce, counterfeit, copy or colorably imitate a registered mark or a dominant feature thereof and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action for infringement by the registrant for the remedies hereinafter set forth: Provided, That the infringement takes place at the moment any of the acts stated in Subsection 155.1 or this subsection are committed regardless of whether there is actual sale of goods or services using the infringing material.

<sup>55</sup> *McDonald's Corp. v. L.C. Big Mak Burger, Inc.*, 480 Phil. 402 (2004) [Per J. Carpio, First Division]; *Dermaline, Inc. v. Myra Pharmaceuticals, Inc.*, 642 Phil. 503 (2010) [Per J. Nachura, Second Division]; and *Société Des Produits Nestlé, S.A. v. Puregold Price Club*, 817 Phil. 1030 [Per Acting C.J. Carpio, Second Division].

<sup>56</sup> G.R. No. 217916, June 20, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64282>> [Per J. Reyes, Jr., Second Division].

*Trading Corp.*, and in once again using the dominancy test, reiterated *Del Monte Corporation vs. Court of Appeals* in saying that “the defendants in cases of infringement do not normally copy but only make colorable changes.” The Court emphasized that “the most successful form of copying is to employ enough points of similarity to confuse the public, with enough points of difference to confuse the courts.”<sup>57</sup> (Citations omitted)

Yet, decades before the Intellectual Property Code gave imprimatur to the dominancy test, this Court had already set in place another test to determine trademark similarity.

In the 1963 case of *Mead Johnson & Company v. N.V.J. Van Dorp, Ltd.*,<sup>58</sup> this Court was called upon to determine if the application for the trademark “ALASKA and pictorial representation of a Boy’s Head within a rectangular design (ALASKA disclaimed)”<sup>59</sup> should be denied due to a previously-registered and allegedly-similar “ALACTA” mark. There, this Court found that the appearances of the “ALASKA” and “ALACTA” marks were dissimilar as to allow “ALASKA”’s registration, because it examined not only the “predominant words” but also the “other features” in both marks:<sup>60</sup>

On the other hand, respondent contends that it is not correct to say that in passing on the question as to whether the two marks are similar only the words “ALASKA” and “ALACTA” should be taken into account since this would be a most arbitrary way of ascertaining whether similarity exists between two marks. Rather, respondent contends, the two marks in their entirety and the goods they cover should be considered and carefully compared to determine whether petitioner’s opposition to the registration is capricious or well-taken. In this connection, respondent invokes the following rules of interpretation: (1) appellant’s mark is to be compared with all of the oppositor’s marks in determining the point of confusion; (2) the likelihood of confusion may be determined by a comparison of the marks involved and a consideration of the goods to which they are attached; and (3) the court will view the marks with respect to the goods to which they are applied, and from its own observation arrive at a conclusion as to the likelihood of confusion.

It is true that between petitioner’s trademark “ALACTA” and respondent’s “ALASKA” there are similarities in spelling, appearance and sound for both are composed of six letters of three syllables each and each syllable has the same vowel, but in determining if they are confusingly similar a comparison of said words is not the only determining factor. The two marks in their entirety as they appear in the respective labels must also be considered in relation to the goods to which they are attached. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other. Having this view in mind, we believe that while there are similarities in the

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<sup>57</sup> Id.

<sup>58</sup> 117 Phil. 779 (1963) [Per J. Bautista Angelo, En Banc].

<sup>59</sup> Id. at 780.

<sup>60</sup> Id. at 783.



two marks there are also differences or dissimilarities which are glaring and striking to the eye as the former. Thus we find the following dissimilarities in the two marks:

(a) The sizes of the containers of the goods of petitioner differ from those of respondent. The goods of petitioner come in one-pound container while those of respondent come in three sizes, to wit: 14-ounce tin of full condensed full cream milk; 14 1/2-ounce tin of evaporated milk; and 6-ounce tin of evaporated milk.

(b) The colors too differ. One of petitioner's containers has one single background color, to wit: light blue; the other has two background colors, pink and white. The containers of respondent's goods have two color bands, yellowish white and red.

(c) Petitioner's mark "ALACTA" has only the first letter capitalized and is written in black. Respondent's mark "ALASKA" has all the letters capitalized written in white except that of the condensed full cream milk which is in red.<sup>61</sup> (Citations omitted)

*Mead Johnson & Company* was then cited by this Court in *Bristol Myers Company v. Director of Patents*<sup>62</sup> in finding that the marks "BIOFERIN" and "BUFFERIN" were dissimilar, and in turn, *Bristol Myers* was cited in *Fruit of the Loom, Inc. v. Court of Appeals*<sup>63</sup> in this Court's conclusion of dissimilarity between the marks "FRUIT OF THE LOOM" and "FRUIT FOR EVE." This test for similarity was further developed in *Del Monte Corporation v. Court of Appeals*,<sup>64</sup> with the term "holistic test" coined in *Emerald Garment Manufacturing Corp. v. Court of Appeals*.<sup>65</sup>

The holistic test has been used in *American Cyanamid Company v. The Director of Patents*,<sup>66</sup> *Ethepe A.G. v. Director of Patents*,<sup>67</sup> *Diaz v. People of the Philippines*,<sup>68</sup> and *Philip Morris, Inc. v. Fortune Tobacco Corp.*<sup>69</sup> The holistic test was even used alongside the dominancy test to support a particular finding, in *Amigo Manufacturing, Inc. v. Cluett Peabody Co.*,<sup>70</sup> *Coffee Partners, Inc. v. San Francisco Coffee & Roastery, Inc.*,<sup>71</sup> *Dy v. Koninklijke Philips Electronics, N.V.*,<sup>72</sup> *Berris Agricultural Co., Inc. v. Abyadang*,<sup>73</sup> *San Miguel Purefoods Company, Inc. v. Foodsphere, Inc.*,<sup>74</sup> and *Mighty Corp. E. & J. Gallo Winery*.<sup>75</sup>

<sup>61</sup> Id. at 782-783.

<sup>62</sup> 123 Phil. 994 (1966) [Per J. Bengzon, J.P., En Banc].

<sup>63</sup> 218 Phil. 375 (1984) [Per J. Makasiar, Second Division].

<sup>64</sup> 260 Phil. 435 (1990) [Per J. Cruz, First Division].

<sup>65</sup> 321 Phil. 1001, 1002 (1995) [Per J. Kapunan, First Division].

<sup>66</sup> 167 Phil. 287 (1977) [Per J. Muñoz Palma, First Division].

<sup>67</sup> 123 Phil. 329 (1966) [Per J. Sanchez, En Banc].

<sup>68</sup> 704 Phil. 146 (2013) [Per J. Bersamin, First Division].

<sup>69</sup> 526 Phil. 300 (2006) [Per J. Garcia, Second Division].

<sup>70</sup> 406 Phil. 905 (2001) [Per J. Panganiban, Third Division].

<sup>71</sup> 628 Phil. 13 (2010) [Per J. Carpio, Second Division].

<sup>72</sup> 807 Phil. 819 (2017) [Per C.J. Sereno, First Division].

<sup>73</sup> 647 Phil. 517 (2010) [Per J. Nachura, Second Division].

<sup>74</sup> G.R. No. 217781, June 20, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64285>> [Per J. Peralta, Second Division].

<sup>75</sup> 478 Phil. 615 (2004) [Per J. Corona, Third Division].

This Court has criticized the holistic test for being contrary to the ethos of the law of trademarks and unfair competition. In *Société Des Produits Nestlé, S.A. v. Court of Appeals*:<sup>76</sup>

Moreover, the totality or holistic test is contrary to the elementary postulate of the law on trademarks and unfair competition that confusing similarity is to be determined on the basis of visual, aural, connotative comparisons and overall impressions engendered by the marks in controversy as they are encountered in the realities of the marketplace. The totality or holistic test only relies on visual comparison between two trademarks whereas the dominancy test relies not only on the visual but also on the aural and connotative comparisons and overall impressions between the two trademarks.<sup>77</sup> (Citation omitted)

This criticism has been echoed more recently, in *Somboonsakdikul v. Orlane S.A.*:<sup>78</sup>

The CA's use of the dominancy test is in accord with our more recent ruling in *UFC Philippines, Inc. (now merged with Nutria-Asia, Inc. as the surviving entity) v. Barrio Fiesta Manufacturing Corporation*. In *UFC Philippines, Inc.*, we relied on our declarations in *McDonald's Corporation v. L.C. Big Mak Burger, Inc., Co Tiong Sa v. Director of Patents, and Societe Des Produits Nestle, S.A. v. Court of Appeals* that the dominancy test is more in line with the basic rule in trademarks that confusing similarity is determined by the aural, visual and connotative and overall impressions created by the marks. Thus, based on the dominancy test, we ruled that there is no confusing similarity between "PAPA BOY & DEVICE" mark, and "PAPA KETSARAP" and "PAPA BANANA CATSUP."<sup>79</sup> (Citations omitted)

Yet, despite all these pronouncements, this Court did not explicitly abandon the holistic test. Although *McDonald's Corp. v. L.C. Big Mak Burger, Inc.*<sup>80</sup> stated that *Société Des Produits Nestlé, S.A.* was an explicit rejection of the holistic test, *Société Des Produits Nestlé, S.A.* was not an *en banc* case that could have reversed the existing doctrines established in *Mead Johnson & Company*, and its succeeding cases. An "overwhelming judicial preference"<sup>81</sup> for the dominancy test was not an abandonment of the holistic test. Instead, this Court continued to permit the Intellectual Property Office and courts to decide for themselves, sans any meaningful criteria, if they should apply the dominancy test or the holistic test in each case before them, then use the other test altogether when the case reaches this Court. This Court's sole guidance

<sup>76</sup> 408 Phil. 307 (2001) [Per J. Ynares-Santiago, First Division].

<sup>77</sup> Id. at 324.

<sup>78</sup> 805 Phil. 37 (2017) [Per J. Jardeleza, Third Division].

<sup>79</sup> Id. at 54.

<sup>80</sup> 480 Phil. 402 (2004) [Per J. Carpio, First Division].

<sup>81</sup> *Mang Inasal Philippines, Inc. v. IFP Manufacturing Corp.*, 841 Phil. 261, 273 (2017) [Per J. Velasco, Jr., Third Division]. See also *ABS-CBN Publishing, Inc. v. Director of the Bureau of Trademarks*, G.R. No. 217916, June 20, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64282>> [Per J. Reyes, Jr., Second Division].

was that “in trademark cases, jurisprudential precedents should be applied only to a case if they are specifically in point[,]”<sup>82</sup> which is abhorrent to ensuring adjudicatory consistency.

This manner of adjudication often led to essentially *pro hac vice* rulings, with selective and unpredictable applications of often-incompatible doctrines, without coherent and consistent precedents to guide the bench and bar.<sup>83</sup> As admitted by this Court in *Emerald Garment Manufacturing Corp.*:<sup>84</sup>

Practical application, however, of the aforesaid provision is easier said than done. In the history of trademark cases in the Philippines, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, *no set rules can be deduced. Each case must be decided on its own merits.*<sup>85</sup> (Emphasis supplied)

Moreover, despite this Court stating that the dominancy and holistic tests are two different tests, the instances when an application of both leads to the same conclusion made the choice between the two seemingly ineffectual.

*Taiwan Kolin*<sup>86</sup> used the holistic test, if not by name then by its method of examining the marks in the case:

While both competing marks refer to the word “KOLIN” written in upper case letters and in bold font, the Court at once notes the distinct visual and aural differences between them: Kolin Electronics’ mark is italicized and colored black while that of Taiwan Kolin is white in pantone red color background. The differing features between the two, though they may appear minimal, are sufficient to distinguish one brand from the other.<sup>87</sup>

Based on the existing standards in our cases, this Court in *Taiwan Kolin* was not incorrect in using the holistic test and arriving at the conclusion it reached. As the case itself observed, this Court had in the past tolerated the co-existence of trademark registrations by two unrelated entities of identical marks.<sup>88</sup>

Contrary to the conclusion reached in the *ponencia*, *Taiwan Kolin*’s use

<sup>82</sup> *McDonald’s Corp. v. Macjoy Fastfood Corp.*, 543 Phil. 90 (2007) [Per J. Garcia, First Division].

<sup>83</sup> J. Leonen, Dissenting Opinion, *Prosel Pharmaceuticals v. Tynor Drug House*, G.R. No. 248021, September 30, 2020 [Per J. Carandang, Third Division].

<sup>84</sup> 321 Phil. 1001 (1995) [Per J. Kapunan, First Division]. See also *Esso Standard Eastern, Inc. v. Court of Appeals*, 201 Phil. 803 (1982) [Per J. Teehankee, First Division].

<sup>85</sup> *Id.* at 1014.

<sup>86</sup> G.R. No. 209843, March 25, 2015, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/59645>> [Per J. Velasco, Jr., Third Division].

<sup>87</sup> *Id.*

<sup>88</sup> *Taiwan Kolin*, citing *Philippine Refining Co., Inc. v. Ng Sam*, 201 Phil. 61 (1982) [Per J. Escolin, Second Division]; *Hickok Manufacturing Co., Inc. v. Court of Appeals*, 201 Phil. 853 (1982) [Per J. Teehankee, First Division]; *Acoje Mining Co., Inc. v. The Director of Patents*, 148 Phil. 494 (1971) [Per J. Fernando, En Banc].

of the holistic test was not “improper precedent[.]”<sup>89</sup> notwithstanding Section 155 of the Intellectual Property Code. At the time it was decided, our caselaw on the holistic test was good law. *Taiwan Kolin* was not some stray case<sup>90</sup> or an aberration in our jurisprudence. Neither did it lay down some novel principle of law that modified or reversed prior doctrines, because under our Constitution, only this Court *en banc*<sup>91</sup> has that power.<sup>92</sup> Instead, *Taiwan Kolin* was a successor, taken to its logical extremes, to an extant line of trademark cases that had not been expressly abandoned. Even *Kensonic, Inc. v. Uni-Line Multi-Resources, Inc., (Phil.)*,<sup>93</sup> the sole case that cites *Taiwan Kolin* prior to the present case, recognized that *Taiwan Kolin* is in keeping with *Mighty Corp. v. E. & J. Gallo Winery*.<sup>94</sup>

Uni-Line posits that its goods under Class 9 were unrelated to the goods of Kensonic; and that the CA's holding of the goods being related by virtue of their belonging to the same class was unacceptable.

In *Taiwan Kolin Corporation, Ltd. v. Kolin Electronics, Co., Inc.*, the Court has opined that the mere fact that goods belonged to the same class does not necessarily mean that they are related; and that the factors listed in *Mighty Corporation v. E. & J. Gallo Winery* should be taken into consideration, to wit:

As mentioned, the classification of the products under the NCL is merely part and parcel of the factors to be considered in ascertaining whether the goods are related. It is not sufficient to state that the goods involved herein are electronic products under Class 9 in order to establish relatedness between the goods, for this only accounts for one of many considerations enumerated in *Mighty Corporation*.  
x x x

Clearly then, it was erroneous for respondent to assume over the CA to conclude that all electronic products are related and that the coverage of one electronic product necessarily precludes the registration of a similar mark over another. In this digital age wherein electronic products have not only diversified by leaps and bounds, and are geared

<sup>89</sup> Draft Decision, p. 29.

<sup>90</sup> This Court has not yet defined when one of its rulings should be considered a “stray case.” But this Court has noted that a division case that expressly contradicts a doctrine established in an *en banc* case is a stray case. See *Lorenzo v. Government Service Insurance System*, 718 Phil. 596 (2013) [Per J. Perez, Second Division]; and *Quimvel v. People of the Philippines*, 808 Phil. 889 (2017) [Per J. Velasco, Jr., En Banc].

<sup>91</sup> Notably, not even Congress may change an interpretation of the Constitution or a law once this Court has made it. See, *Calderon v. Carale*, 284 Phil. 385 (1992) [Per J. Padilla, En Banc].

<sup>92</sup> CONST. art. 8, sec. 4(3) provides:  
SECTION 4. . . .

(3) Cases or matters heard by a division shall be decided or resolved with the concurrence of a majority of the Members who actually took part in the deliberations on the issues in the case and voted thereon, and in no case, without the concurrence of at least three of such Members. When the required number is not obtained, the case shall be decided *en banc*: *Provided, that no doctrine or principle of law laid down by the court in a decision rendered en banc or in division may be modified or reversed except by the court sitting en banc.* (Emphasis supplied)

<sup>93</sup> G.R. Nos. 211820-21, June 6, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64270>> [Per J. Bersamin, Third Division].

<sup>94</sup> 478 Phil. 615 (2004) [Per J. Corona, Third Division].

towards interoperability, it is difficult to assert readily, as respondent simplistically did, that all devices that require plugging into sockets are necessarily related goods.

It bears to stress at this point that the list of products included in Class 9 can be sub-categorized into five (5) classifications, namely: (1) apparatus and instruments for scientific or research purposes, (2) information technology and audiovisual equipment, (3) apparatus and devices for controlling the distribution and use of electricity, (4) optical apparatus and instruments, and (5) safety equipment. From this sub-classification, it becomes apparent that petitioner's products, i.e., televisions and DVD players, belong to audiovisual equipment, while that of respondent, consisting of automatic voltage regulator, converter, recharger stereo booster, AC-DC regulated power supply, step-down transformer, and PA amplified AC-DC, generally fall under devices for controlling the distribution and use of electricity.

Based on the foregoing pronouncement in *Taiwan Kolin Corporation, Ltd. v. Kolin Electronics, Co., Inc.*, there are other sub-classifications present even if the goods are classified under Class 09. For one, Kensonic's goods belonged to the information technology and audiovisual equipment sub-class, but Uni-Line's goods pertained to the apparatus and devices for controlling the distribution of electricity sub-class. Also, the Class 09 goods of Kensonic were final products but Uni-Line's Class 09 products were spare parts. In view of these distinctions, the Court agrees with Uni-Line that its Class 09 goods were unrelated to the Class 09 goods of Kensonic.<sup>95</sup>

While the *ponencia* has laudably sought to bring jurisprudential stability through the unequivocal abandonment of the holistic test, I urge this Court to also seriously refine the existing standards for determining the likelihood of confusion of goods and business.<sup>96</sup> Admittedly, likelihood of confusion is highly fact-specific based on the circumstances of each case.<sup>97</sup> Yet, considering the advances in the fields of competition and economics, this Court should improve the standards by which likelihood of confusion is measured.<sup>98</sup>

Evaluations of likelihood of confusion cannot be left to the subjective determination by the Intellectual Property Office or the courts, which may often rely on *ad hoc* inferences of similarity in class, physical attributes or descriptive properties, purpose, or points of sale of the goods or services.<sup>99</sup>

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<sup>95</sup> *Kensonic, Inc. v. Uni-Line Multi-Resources, Inc., (Phil.) v. Uni-Line Multi-Resources, Inc.*, G.R. Nos. 211820-21, June 6, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64270>> [Per J. Bersamin, Third Division].

<sup>96</sup> *Canon Kabushiki Kaisha v. Court of Appeals*, 391 Phil. 154 (2000) [Per J. Gonzaga-Reyes, Third Division].

<sup>97</sup> *Shell Co. of the Philippines, Ltd. v. Ins. Petroleum Refining Co., Ltd. and CA*, 120 Phil. 434 (1964) [Per J. Paredes, En Banc].

<sup>98</sup> J. Leonen, Concurring Opinion, *Asia Pacific Resources International Holdings, Ltd. v. Paperone, Inc.*, G.R. Nos. 213365-66, December 10, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64829>> [Per J. Gesmundo, Third Division].

<sup>99</sup> *Id.*

Often, this Court has resorted to unsubstantiated assumptions and generalizations about consumers and their behavior,<sup>100</sup> arbitrary categorizations of goods and services,<sup>101</sup> and even outright derogatory classist stereotypes.<sup>102</sup> In this case, the *ponencia* describes a distinction between “sophisticated” and “ordinary” buyers without any real basis for the respective consumption and commercial habits assigned to each sector, resulting in broad caricatures about both the goods covered by the marks and their markets.<sup>103</sup>

Relativity in likelihood of confusion must give way to objective, scientific, and economic standards:

There should be objective, scientific, and economic standards to determine whether goods or services offered by two parties are so related that there is a likelihood of confusion. In a market, the relatedness of goods or services may be determined by consumer preferences. When two goods are proved to be perfect substitutes, where the marginal rate of substitution, or the “consumer’s willingness to substitute one good for another while maintaining the same level of satisfaction” is constant, then it may be concluded that the goods are related for the purposes of determining likelihood of confusion. Even goods or services, which superficially appear unrelated, may be proved related if evidence is presented showing that these have significant cross-elasticity of demand, such that changes of price in one party’s goods or services change the price of the other party’s goods and services. Should it be proved that goods or services belong to the same relevant market, they may be found related even if their classes, physical

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<sup>100</sup> *Emerald Garment Manufacturing Corp. v. Court of Appeals*, 321 Phil. 1001 (1995) [Per J. Kapunan, First Division]; *Del Monte Corp. v. Court of Appeals*, 260 Phil. 435 (1990) [Per J. Cruz, First Division]; *Asia Brewery, Inc. v. Court of Appeals*, G.R. No. 103543, July 5, 1993 [Per J. Griño-Aquino, En Banc]; *Levi Strauss (Phils.), Inc. v. Lim*, 593 Phil. 435 (2009) [Per J. Reyes, R.T., Third Division]; and *Converse Rubber Corp. v. Jacinto Rubber & Plastics Co., Inc.*, 186 Phil. 85 (1980) [Per J. Barredo, Second Division].

<sup>101</sup> *Mighty Corp. v. E. & J. Gallo Winery*, 478 Phil. 615 (2004) [Per J. Corona, Third Division]; *Taiwan Kolin Corp., Ltd. v. Kolin Electronics Co. Inc.*, G.R. No. 209843, March 25, 2015, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/59645>> [Per J. Velasco, Jr., Third Division]; and *Mang Inasal Philippines, Inc. v. IFP Manufacturing Corp.*, 811 Phil. 261 (2017) [Per J. Velasco, Jr., Third Division].

<sup>102</sup> In *Lim Hoa v. Director of Patents*, 100 Phil. 214 (1956) [Per J. Montemayor, En Banc], this Court stated: The danger of confusion in trademarks and brands which are similar may not be so great in the case of commodities or articles of relatively great value, such as, radio and television sets, air conditioning units, machinery, etc., for the prospective buyer, generally the head of the family or a businessman, before making the purchase, reads the pamphlets and all literature available, describing the article he is planning to buy, and perhaps even makes comparisons with similar articles in the market. He is not likely to be deceived by similarity in the trademarks because he makes a more or less thorough study of the same and may even consult his friends about the relative merit and performance of the article or machinery, as compared to others also for sale. But in the sale of a food seasoning product, a kitchen article of everyday consumption, the circumstances are far different. Said product is generally purchased by cooks and household help, sometimes illiterate who are guided by pictorial representations and the sound of the word descriptive of said representation. The two roosters appearing in the trademark of the applicant and the hen appearing on the trademark of the oppositor, although of different sexes, belong to the same family of chicken, known as manok in all the principal dialects of the Philippines, and when a cook or a household help or even a housewife buys a food seasoning product for the kitchen the brand of “Manok” or “Marca Manok” would most likely be upper most in her mind and would influence her in selecting the product, regardless of whether the brand pictures a hen or a rooster or two roosters. To her, they are all *manok*. Therein lies the confusion, even deception.

<sup>103</sup> Draft Decision, p. 39.

attributes, or purposes are different.<sup>104</sup> (Citations omitted)

This Court should build on past jurisprudence that squarely confront claims of economic or market losses, such as *Shell Company of the Philippines, Ltd. v. Insular Petroleum Refining Co., Ltd.*:<sup>105</sup>

It was found by the Court of Appeals that in all transactions of the low-grade Insoil, except the present one, all the marks and brands on the containers used were erased or obliterated. The drum in question did not reach the buying public. It was merely a Shell dealer or an operator of a Shell Station who purchased the drum not to be resold to the public, but to be sold to the petitioner company, with a view of obtaining evidence against someone who might have been committing unfair business practices, for the dealer had found that his income was dwindling in his gasoline station. Uichangco, the Shell dealer, testified that Lozano (respondent's agent) did not at all make any representation that he (Lozano) was selling any oil other than Insoil motor oil, a fact which finds corroboration in the receipt issued for the sale of the drum. Uichangco was apprised beforehand that Lozano would sell Insoil oil in a Shell drum. There was no evidence that defendants or its agents attempted to persuade Uichangco or any Shell dealer, for that matter, to purchase its low-grade oil and to pass the same to the public as Shell oil. It was shown that Shell and other oil companies, deliver oil to oil dealers or gasoline stations in drums, these dealers transfer the contents of the drums to retailing dispensers known as "tall boys," from which the oil is retailed to the public by liters.

This Court is not unaware of the decisions cited by petitioner to bolster its contention. We find those cases, however, not applicable to the one at bar. Those cases were predicated on facts and circumstances different from those of the present. In one case, the trade name of plaintiff was stamped on the goods of defendant and they were being passed as those of the plaintiff. This circumstance does not obtain here. From these cases, one feature common to all comes out in bold relief and that is, the competing product involving the offending bottles, wrappers, packages or marks reached the hands of the ultimate consumer, so bottled, wrapped, packaged or marked. In other words, it is the form in which the wares or products come to the ultimate consumer that was significant; for, as has been well said, the law of unfair competition does not protect purchasers against falsehood which the tradesmen may tell; the falsehood must be told by the article itself in order to make the law of unfair competition applicable.

Petitioner contends that there had been a marked decrease in the volume of sales of low-grade oil of the company, for which reason it argues that the sale of respondent's low-grade oil in Shell containers was the cause. We are reluctant to share the logic of the argument. We are more inclined to believe that several factors contributed to the decrease of such sales. But let us assume, for purposes of argument, that the presence of respondent's low-grade oil in the market contributed to such decrease. May such eventuality make respondent liable for unfair competition? There is no prohibition for respondent to sell its goods, even in places where the goods of petitioner had long been sold or extensively advertised. Respondent

<sup>104</sup> J. Leonen, Concurring Opinion, *Asia Pacific Resources International Holdings, Ltd. v. Paperone, Inc.*, G.R. Nos. 213365-66, December 10, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64829>> [Per J. Gesmundo, Third Division].

<sup>105</sup> 120 Phil. 434 (1964) [Per J. Paredes, En Banc].

should not be blamed if some of petitioner's dealers buy Insoil oil, as long as respondent does not deceive said dealers. If petitioner's dealers pass off Insoil oil as Shell oil, that is their responsibility. If there was any such effort to deceive the public, the dealers to whom the defendant (respondent) sold its products and not the latter, were legally responsible for such deception. The passing of said oil, therefore, as product of Shell was not performed by the respondent or its agent, but petitioner's dealers, which act respondent had no control whatsoever. And this could easily be done, for, as respondents' counsel put it —

“The point we would like to drive home is that if a Shell dealer wants to fool the public by passing off INSOIL as SHELL oil he could do this by the simple expedient of placing the INSOIL oil or any other oil for that matter in the ‘tall boys’ and dispense it to the public as SHELL oil. Whatever container INSOIL uses would be of no moment . . . absence of a clear showing that INSOIL and the SHELL dealer connived or conspired, we respectfully maintain that the responsibility of INSOIL ceases from the moment its oil, if ever it has ever been done, is transferred by a shell dealer to a SHELL ‘tall boy!’”<sup>106</sup>

Rule 18, Section 5 of A.M. No. 10-3-10-SC, or the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases, enumerates several factors to be considered as evidence of likelihood of confusion in trademark and unfair competition cases:

SECTION 5. *Likelihood of confusion in other cases.* — In determining whether one trademark is confusingly similar to or is a colorable imitation of another, the court must consider the general impression of the ordinary purchaser, buying under the normally prevalent conditions in trade, and giving the attention such purchasers usually give in buying that class of goods. Visual, aural, connotative comparisons and overall impressions engendered by the marks in controversy as they are encountered in the realities of the marketplace must be taken into account. Where there are both similarities and differences in the marks, these must be weighed against one another to determine which predominates.

In determining likelihood of confusion between marks used on non-identical goods or services, several factors may be taken into account, such as, but not limited to:

- a) the strength of plaintiff's mark;
- b) the degree of similarity between the plaintiff's and the defendant's marks;
- c) the proximity of the products or services;
- d) the likelihood that the plaintiff will bridge the gap;
- e) evidence of actual confusion;

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<sup>106</sup> Id. at 441–443.



- f) the defendant's good faith in adopting the mark;
- g) the quality of defendant's product or service;  
and/or
- h) the sophistication of the buyer

"Colorable imitation" denotes such a close or 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, as to cause him or her to purchase the one supposing it to be the other.

Absolute certainty of confusion or even actual confusion is not required to accord protection to trademarks already registered with the IPO.

Among other pieces of evidence, these factors must be proven by testimonies of witnesses stringently qualified to show their knowledge, skill, experience, or training on the subject matter of their testimony;<sup>107</sup> or by the presentation of scientific surveys, conducted with the appropriate methodology and with the proper sampling and scope, of the relevant market or trade conditions, as stated in Rule 18, Section 9 of the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases:

SECTION 9. *Market Survey.* — A market survey is a scientific market or consumer survey which a party may offer in evidence to prove (a) the primary significance of a mark to the relevant public, including its distinctiveness, its descriptive or generic status, its strength or well-known status and/or (b) likelihood of confusion.

Admittedly, market-based evidence on likelihood of confusion may be more difficult to obtain if one of the marks is still undergoing the registration process and has not yet actually been introduced to the public. However, Section 147 of the Intellectual Property Code may guide oppositors who assert their ownership of registered marks. If the mark applied for is found identical to the registered mark and the use is for identical goods or services, the oppositor has in their favor a presumption of likelihood of confusion. The applicant then bears the burden of overcoming the presumption by sufficient evidence.

In other instances—such as similar signs for similar goods or services; identical signs for similar goods or services; or similar signs for identical goods or services—the likelihood of confusion must be proved with evidence by owner of the registered mark. One such instance is the present case, where the Bureau of Legal Affairs evaluated e-mails from Kolin Electronics Co. Inc.'s customers asking about Kolin Philippines International, Inc.'s goods,

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<sup>107</sup> See, e.g., *Tortona v. Gregorio*, G.R. No. 202612, January 17, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/63831>> [Per J. Leonen, Third Division].

implying confusion of origin or their respective items for sale.<sup>108</sup> As for “any person”<sup>109</sup> not an owner of a registered mark, the damage must be proven in other ways—what that contemplates is outside the scope of this case.

### III

As a final note, overreliance on rules and findings of foreign jurisdictions to resolve domestic intellectual property disputes should be discouraged. If this Court adopts or applies a foreign agency’s findings on matters of trademark registration on behalf of the Philippine Intellectual Property Office, it would unduly encroach upon the Office’s power to devise its own manual of examination procedure for trademarks.<sup>110</sup> Worse, Article 8 of the Civil Code and the deference accorded by administrative agencies to judicial decisions may lead to this Court imposing its own formulation of administrative intellectual property guidelines upon the Philippine Intellectual Property Office. There is also a danger that swiftly-moving foreign caselaw may leave this Court futilely struggling to reconcile overturned cases with later established precedents which have histories and developments unfamiliar to this jurisdiction.<sup>111</sup>

Moreover, the social value placed by our Constitution upon private property—including intellectual property—must be taken into consideration in ways that foreign rules and rulings perhaps do not. By uncritically adopting foreign interpretations of intellectual property concepts, without any substantive anchor or reference to our existing laws and rules, we may be undermining the very rules and doctrines that we pass.

Trade and service marks are not intended to unduly restrict free trade, foster monopolistic practices, or unfairly exclude competitors from the market.<sup>112</sup> Thus, the doctrines and precedents this Court lays down should not be used to—consciously or unwittingly—interfere with free and fair competition, under the guise of consumer protection and fraud prevention.<sup>113</sup>

Like all forms of intellectual property, trade and service marks are not only objects of private ownership. They also bear a social function that shall

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<sup>108</sup> Draft Decision, p. 14.

<sup>109</sup> Id. at 20. See footnote 95 of the Draft Decision.

<sup>110</sup> See INTELLECTUAL PROPERTY CODE, Section 5(b) in relation to Section 7(a).


<sup>111</sup> See this Court’s extended discussion on the applicability of United States cases of *Mancuso v. Taft, United States Civil Service Commission v. National Association of Letter Carriers AFL-CIO*, 476 F.2d 187 (1973); and *Broadrick v. State of Oklahoma* in *Quinto v. Commission on Elections*, 627 Phil. 193 (2010) [Per C.J. Puno, En Banc].

<sup>112</sup> J. Leonen, Dissenting Opinion, *Prosel Pharmaceuticals v. Tynor Drug House*, G.R. No. 248021, September 30, 2020 [Per J. Carandang, Third Division].

<sup>113</sup> *Alhambra Cigar and Cigarette Manufacturing Co. v. Mojica*, 27 Phil. 266 (1914) [Per J. Moreland, First Division].

contribute to a common good.<sup>114</sup> As such, our disposition of intellectual property cases must not merely treat them as private commercial constructs, but as legal concepts that perform holistic public functions,<sup>115</sup> held to rigorous and exacting standards on which the bench, bar, and the public may safely rely on and trust.

**ACCORDINGLY**, I vote to **GRANT** the Petition.




**MARVIC M.V.F. LEONEN**  
Associate Justice

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<sup>114</sup> J. Leonen, Dissenting Opinion, *Zuneca Pharmaceutical v. Natrapharm, Inc.*, G.R. No. 211850, September 8, 2020, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/66500>> [Per J. Caguioa, En Banc] in relation with CONST., art. 12, sec. 6, which states:

SECTION 6. The use of property bears a social function, and all economic agents shall contribute to the common good. Individuals and private groups, including corporations, cooperatives, and similar collective organizations, shall have the right to own, establish, and operate economic enterprises, subject to the duty of the State to promote distributive justice and to intervene when the common good so demands.

<sup>115</sup> Id.



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