



Republic of the Philippines
 Supreme Court
 Manila

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 2017

THIRD DIVISION

SERI SOMBOONSAKDIKUL,
 Petitioner,

G.R. No. 188996

Present:

-versus-

VELASCO, JR., *J.*, Chairperson,
 BERSAMIN,
 REYES,
 JARDELEZA, and
 CAGUIOA, * *JJ.*

ORLANE S.A.,

Respondent.

Promulgated:

February 1, 2017

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DECISION

JARDELEZA, J.:

Assailed in this petition is the Decision¹ of the Court of Appeals (CA) in CA-G.R. SP No. 105229 dated July 14, 2009 which affirmed the decision of the Director General of the Intellectual Property Office (IPO) denying the application for the mark “LOLANE.”

Facts

On September 23, 2003, petitioner Seri Somboonsakdikul (petitioner) filed an application for registration² of the mark LOLANE with the IPO for goods³ classified under Class 3 (personal care products) of the International Classification of Goods and Services for the Purposes of the Registration of

* Designated as Fifth Member of the Third Division per Special Order No. 2417 dated January 4, 2017.

¹ *Rollo*, pp. 43-60. Penned by Associate Justice Portia-Aliño Hormachuelos with Associate Justices Magdangal M. De Leon and Myrna Dimaranan Vidal, concurring.

² *CA rollo*, pp. 263-265. The application was docketed as Application No. 4-2003-0008858 and published for opposition in the December 17, 2004 issue of the IPO’s electronic gazette, *id.* at 45.

³ Hair decolorants; soaps; shampoos; hair colorants; hair dyes; hair lotion; hair waving preparations; hair straightener cream; hair sprays; hair mousse; hair gel; hair conditioner; henna color wax; pomades for cosmetic purpose; color treatment; active mud for hair and scalp; skin whitening cream; cleansing cream; cleansing lotion; cream rinse; pearl cream, eye cream, skin cream, skin milk, skin lotion, cold cream, moisture cream, moisture milk, moisture lotion, cleansing foam, cleansing milk; mineral water (for cosmetic purposes); mask powder (for cosmetic purposes); mask cream (for cosmetic purposes); roll-on; whitening roll-on; deodorants for personal use; facial massaging cream; facial massaging powder, Declaration of Actual Use, *id.* at 195.

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Marks (International Classification of Goods).⁴ Orlane S.A. (respondent) filed an opposition to petitioner's application, on the ground that the mark LOLANE was similar to ORLANE in presentation, general appearance and pronunciation, and thus would amount to an infringement of its mark.⁵ Respondent alleged that: (1) it was the rightful owner of the ORLANE mark which was first used in 1948; (2) the mark was earlier registered in the Philippines on July 26, 1967 under Registration No. 129961 for the following goods:⁶

x x x perfumes, toilet water, face powders, lotions, essential oils, cosmetics, lotions for the hair, dentrifices, eyebrow pencils, make-up creams, cosmetics & toilet preparations under Registration No. 12996.⁷

and (3) on September 5, 2003, it filed another application for use of the trademark on its additional products:

x x x toilet waters; revitalizing waters, perfumes, deodorants and body deodorants, anti-perspiration toiletries; men and women perfume products for face care and body care; face, eye, lips, nail, hand make-up products and make-up removal products, towels impregnated with cosmetic lotions; tanning and instant tanning sunproducts, sunprotection products, (not for medical use), after-suncosmetic products; cosmetic products; slimming cosmetic aids; toiletries; lotions, shampoos and hair care products; shave and after shave products, shaving and hair removing products; essential oils; toothpastes; toiletry, cosmetic and shaving kits for travel, filled or fitted vanity-cases[.]⁸

Respondent adds that by promotion, worldwide registration, widespread and high standard use, the mark had acquired distinction, goodwill, superior quality image and reputation and was now well-known.⁹ Imputing bad faith on the petitioner, respondent claimed that LOLANE's first usage was only on August 19, 2003.¹⁰

In his answer,¹¹ petitioner denied that the LOLANE mark was confusingly similar to the mark ORLANE. He averred that he was the lawful owner of the mark LOLANE which he has used for various personal care

⁴ World Intellectual Property Organization, International Classification of Goods and Services for the Purposes of the Registration of Marks, (Nice Classification), Part II, With List of Goods and Services in Class Order, Eight Edition, 2001. Class 3 provides:

Class 3 Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices

⁵ *Rollo*, pp. 44-45.

⁶ *Id.* at 45.

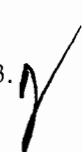
⁷ *CA rollo*, p. 86.

⁸ *Id.* Respondent alleged in its comment before the CA that its goods fell under Class 3 of the International Classification of Goods, *CA rollo*, p. 606.

⁹ *Rollo*, pp. 44-45.

¹⁰ *Id.* at 45.

¹¹ *CA rollo*, pp. 179-193.



products sold worldwide. He alleged that the first worldwide use of the mark was in Vietnam on July 4, 1995. Petitioner also alleged that he had continuously marketed and advertised Class 3 products bearing LOLANE mark in the Philippines and in different parts of the world and that as a result, the public had come to associate the mark with him as provider of quality personal care products.¹²

Petitioner maintained that the marks were distinct and not confusingly similar either under the dominancy test or the holistic test. The mark ORLANE was in plain block upper case letters while the mark LOLANE was printed in stylized word with the second letter L and the letter A co-joined. Furthermore, the similarity in one syllable would not automatically result in confusion even if used in the same class of goods since his products always appear with Thai characters while those of ORLANE always had the name Paris on it. The two marks are also pronounced differently. Also, even if the two marks contained the word LANE it would not make them confusingly similar since the IPO had previously allowed the co-existence of trademarks containing the syllable “joy” or “book” and that he also had existing registrations and pending applications for registration in other countries.¹³

The Bureau of Legal Affairs (BLA) rejected petitioner’s application in a Decision¹⁴ dated February 27, 2007, finding that respondent’s application was filed, and its mark registered, much earlier.¹⁵ The BLA ruled that there was likelihood of confusion based on the following observations: (1) ORLANE and LOLANE both consisted of six letters with the same last four letters – LANE; (2) both were used as label for similar products; (3) both marks were in two syllables and that there was only a slight difference in the first syllable; and (4) both marks had the same last syllable so that if these marks were read aloud, a sound of strong similarity would be produced and such would likely deceive or cause confusion to the public as to the two trademarks.¹⁶

Petitioner filed a motion for reconsideration but this was denied by the Director of the BLA on May 7, 2007.¹⁷ The BLA ruled that the law did not require the marks to be so identical as to produce actual error or mistake as the likelihood of confusion was enough. The BLA also found that the dominant feature in both marks was the word LANE; and that the marks had a strong visual and aural resemblance that could cause confusion to the buying public. This resemblance was amplified by the relatedness of the goods.¹⁸

¹² *Id.* at 184-186.

¹³ *Id.* at 187-189.

¹⁴ *Id.* at 463-468.

¹⁵ *CA rollo*, pp. 463-468.

¹⁶ *Rollo*, p. 46.

¹⁷ *CA rollo*, pp. 479-482.

¹⁸ *Id.* at 481.

On appeal, the Director General of the IPO affirmed the Decision of the BLA Director. Despite the difference in the first syllable, there was a strong visual and aural resemblance since the marks had the same last four letters, *i.e.*, LANE, and such word is pronounced in this jurisdiction as in “pedestrian lane.”¹⁹ Also, the mark ORLANE is a fanciful mark invented by the owner for the sole purpose of functioning as a trademark and is highly distinctive. Thus, the fact that two or more entities would accidentally adopt an identical or similar fanciful mark was too good to be true especially when they dealt with the same goods or services.²⁰ The Director General also noted that foreign judgments invoked by petitioner for the grant of its application are not judicial precedents.²¹

Thus, petitioner filed a petition for review²² before the CA arguing that there is no confusing similarity between the two marks. Petitioner maintained that LANE is not the dominant feature of the mark and that the dominancy test did not apply since the trademarks are only plain word marks and the dominancy test presupposes that the marks involved are composite marks.²³ Petitioner pointed out that the IPO had previously allowed the mark GIN LANE under Registration No. 4-2004-006914 which also involved products under Class 3.²⁴ While petitioner admitted that foreign judgments are not judicial precedents, he argued that the IPO failed to recognize relevant foreign judgments, *i.e.*, the Australian Registrar of Trademarks and the IPO of Singapore which ruled that there was no confusing similarity between the marks LOLANE and ORLANE.²⁵ Lastly, the Director General should have deferred to the findings of the Trademark Examiner who made a substantive examination of the application for trademark registration, and who is an expert in the field and is in the best position to determine whether there already exists a registered mark or mark for registration. Since petitioner’s application for registration of the mark LOLANE proceeded to allowance and publication without any adverse citation of a prior confusingly similar mark, this meant that the Trademark Examiner was of the view that LOLANE was not confusingly similar to ORLANE.²⁶

The CA Ruling

The CA denied the petition and held that there exists colorable imitation of respondent’s mark by LOLANE.²⁷

The CA accorded due respect to the Decision of the Director General and ruled that there was substantial evidence to support the IPO’s findings of

¹⁹ *Id.* at 37.

²⁰ *Id.* at 38.

²¹ *Id.* at 34-35

²² *Id.* at 60-82.

²³ *Id.* at 67-68.

²⁴ *Id.* at 80.

²⁵ *Id.* at 74-78.

²⁶ *Id.* at 79-80.

²⁷ *Rollo*, p. 52.



fact. Applying the dominancy test, the CA ruled that LOLANE's mark is confusingly or deceptively similar to ORLANE. There are predominantly striking similarities in the two marks including LANE, with only a slight difference in the first letters, thus the two marks would likely cause confusion to the eyes of the public. The similarity is highlighted when the two marks are pronounced considering that both are one word consisting of two syllables. The CA ruled that when pronounced, the two marks produce similar sounds.²⁸ The CA did not heed petitioner's contention that since the mark ORLANE is of French origin, the same is pronounced as "OR-LAN." Filipinos would invariably pronounce it as "OR-LEYN."²⁹ The CA also noted that the trademark ORLANE is a fanciful name and petitioner was not able to explain why he chose the word LOLANE as trademark for his personal care products. Thus, the only logical conclusion is that he would want to benefit from the established reputation and goodwill of the ORLANE mark.³⁰

The CA rejected petitioner's assertion that his products' cheaper price and low-income market eliminates the likelihood of confusion. Low-income groups, and even those who usually purchased ORLANE products despite the higher cost, may be led to believe that LOLANE products are low-end personal care products also marketed by respondent.³¹

The CA upheld the applicability of the dominancy test in this case. According to the CA, the dominancy test is already recognized and incorporated in Section 155.1 of Republic Act No. 8293 (RA 8293), otherwise known as the Intellectual Property Code of the Philippines.³² Citing *McDonald's Corporation v. MacJoy Fastfood Corporation*,³³ the CA ruled that the dominancy test is also preferred over the holistic test. This is because the latter relies only on the visual comparison between two trademarks, whereas the dominancy test relies not only on the visual, but also on their aural and connotative comparisons, and their overall impressions created.³⁴ Nonetheless, the CA stated that there is nothing in this jurisdiction dictating that the dominancy test is applicable for composite marks.³⁵

The CA was not swayed by the alleged favorable judgment by the IPO in the GIN LANE application, ruling that in trademark cases, jurisprudential precedents should be applied only to a case if they are specifically in point.³⁶ It also did not consider the ruling of the IPOs in Australia, South Africa, Thailand and Singapore which found no confusing similarity between the

²⁸ *Id.* at 53-54.

²⁹ *Id.* at 54.

³⁰ *Id.* at 54-55.

³¹ *Id.* at 55.

³² An Act Prescribing the Intellectual Property Code and Establishing the Intellectual Property Office, Providing for its Powers and Functions, and for Other Purposes (1997).

³³ G.R. No. 166115, February 2, 2007, 514 SCRA 95.

³⁴ *Rollo*, p. 56.

³⁵ *Id.* at 55.

³⁶ *Id.* at 57.

marks LOLANE and ORLANE, stating that foreign judgments do not constitute judicial precedent in this jurisdiction.³⁷

Finally, the CA did not give merit to petitioner's contention that the Director General should have deferred to the findings of the Trademark Examiner. According to the CA, the proceedings before the Trademark Examiner are *ex-parte*,³⁸ and his findings are merely *prima facie*. Whatever his decision may be is still subject to review and/or appeal.³⁹

The Petition⁴⁰

Petitioner maintains that the CA erred in its interpretation of the dominancy test, when it ruled that the dominant feature of the contending marks is the suffix "LANE."⁴¹ The CA failed to consider that in determining the dominant portion of a mark, significant weight must be given to whether the buyer would be more likely to remember and use one part of a mark as indicating the origin of the goods.⁴² Thus, that part which will likely make the most impression on the ordinary viewer will be treated as the dominant portion of conflicting marks and given greater weight in the comparison.⁴³

Petitioner argues that both LOLANE and ORLANE are plain word marks which are devoid of features that will likely make the most impression on the ordinary viewer. If at all, the very word marks themselves, LOLANE and ORLANE are each to be regarded as dominant features.⁴⁴ Moreover, the suffix LANE is a weak mark, being "in common use by many other sellers in the market."⁴⁵ Thus, LANE is also used in the marks SHELLANE and GIN LANE, the latter covering goods under Class 3. Moreover, the two marks are aurally different since respondent's products originate from France and is read as "OR-LAN" and not "OR-LEYN."⁴⁶

Petitioner also claims that the CA completely disregarded the holistic test, thus ignoring the dissimilarity of context between LOLANE and ORLANE. Assuming that the two marks produce similar sounds when pronounced, the differences in marks in their entirety as they appear in their respective product labels should still be the controlling factor in determining confusing similarity.⁴⁷

³⁷ *Id.* at 57-58.

³⁸ *Id.* at 58, citing Rule 600 of the Rules and Regulations on Trademarks, Service Marks, Tradenames and Marked or Stamped Containers.

³⁹ *Id.* at 58-59, citing Rule 1102 of the Rules and Regulations on Trademarks, Service Marks, Tradenames and Marked or Stamped Containers and Sections. 7.1 and 10.1 of RA 8293.

⁴⁰ *Id.* at 11-36.

⁴¹ *Id.* at 21.

⁴² *Id.* at 21-22.

⁴³ *Id.* at 22.

⁴⁴ *Id.*

⁴⁵ *Id.* Citation omitted.

⁴⁶ *Rollo*, pp. 22-23

⁴⁷ *Id.* at 23-28.

Besides, there has been no explicit declaration abandoning the holistic test.⁴⁸ Thus, petitioner urges us to go beyond the similarities in spelling and instead consider how the marks appear in their respective labels, the dissimilarities in the size and shape of the containers, their color, words appearing thereon and the general appearance,⁴⁹ hence: (1) the commonality of the marks ORLANE and LOLANE starts from and ends with the four-letter similarity—LANE and nothing else;⁵⁰ (2) ORLANE uses “safe” or conventional colors while LOLANE uses loud or psychedelic colors and designs with Thai characters;⁵¹ and (3) ORLANE uses the term “Paris,” indicating the source of origin of its products.⁵²

Petitioner likewise claims that consumers will be more careful in their choice because the goods in question are directly related to personal hygiene and have direct effects on their well-being, health and safety.⁵³ Moreover, with the huge price difference between ORLANE and LOLANE products, relevant purchasers are less likely to be confused.⁵⁴

Finally, petitioner notes that respondent has neither validly proven nor presented sufficient evidence that the mark ORLANE is in actual commercial use in the Philippines. Respondent failed to allege in any of its pleadings submitted to the IPO’s BLA and the IPO Director General the names of local outlets that products bearing the mark ORLANE are being marketed or sold to the general consuming public.⁵⁵

Respondent’s Comment⁵⁶

Respondent reiterates the decisions of the CA and the IPO.⁵⁷ It maintains that ORLANE is entitled to protection under RA 8293 since it is registered with the IPO with proof of actual use.⁵⁸ Respondent posits that it has established in the world⁵⁹ and in the Philippines an image and reputation for manufacturing and selling quality beauty products. Its products have been sold in the market for 61 years and have been used in the Philippines since 1972.⁶⁰ Thus, to allow petitioner’s application would unduly prejudice respondent’s right over its registered trademark.⁶¹ Lastly, respondent argues

⁴⁸ *Id.* at 24.

⁴⁹ *Id.* at 25-26.

⁵⁰ *Id.* at 26.

⁵¹ *Id.* at 29.

⁵² *Id.*

⁵³ *Rollo*, p. 30.

⁵⁴ *Id.* at 31-32.

⁵⁵ *Id.* at 34.

⁵⁶ *Id.* at 63-80.

⁵⁷ *Id.* at 66-74.

⁵⁸ *Id.* at 67.

⁵⁹ In its comment, respondent claimed that as early as 1946, it sought registration of its mark in countries such as Canada, Russia, India, Indonesia, Korea, Singapore, Taiwan, Thailand, Australia, and through the Madrid Protocol, Algeria, Germany, Austria, Benelux, Bosnia, Egypt, Macedonia, Hungary, Italy, Liechtenstein, Morocco, Monaco, Korea, Romania, San Marino, Switzerland, Vietnam, Yugoslavia, Bulgaria, Poland, Portugal and Spain, *id.* at 76.

⁶⁰ *Id.* at 74-75.

⁶¹ *Id.* at 76.

that decisions of administrative agencies such as the IPO shall not be disturbed by the courts, absent any showing that the former have acted without or in excess of their jurisdiction, or with grave abuse of discretion.⁶²

Issue

We resolve the issue of whether there is confusing similarity between ORLANE and LOLANE which would bar the registration of LOLANE before the IPO.

Our Ruling

We find that the CA erred when it affirmed the Decision of the IPO.

While it is an established rule in administrative law that the courts of justice should respect the findings of fact of administrative agencies, the courts may not be bound by such findings of fact when there is absolutely no evidence in support thereof or such evidence is clearly, manifestly and patently insubstantial; and when there is a clear showing that the administrative agency acted arbitrarily or with grave abuse of discretion or in a capricious and whimsical manner, such that its action may amount to an excess or lack of jurisdiction.⁶³ Moreover, when there is a showing that the findings or conclusions, drawn from the same pieces of evidence, were arrived at arbitrarily or in disregard of the evidence on record, they may be reviewed by the courts.⁶⁴ Such is the case here.

There is no colorable imitation between the marks LOLANE and ORLANE which would lead to any likelihood of confusion to the ordinary purchasers.

A trademark is defined under Section 121.1 of RA 8293 as any visible sign capable of distinguishing the goods. It is susceptible to registration if it is crafted fancifully or arbitrarily and is capable of identifying and distinguishing the goods of one manufacturer or seller from those of another.⁶⁵ Thus, the mark must be distinctive.⁶⁶ The registrability of a trademark is governed by Section 123 of RA 8293. Section 123.1 provides:

Section 123. Registrability. –

123.1. A mark cannot be registered if it:

X X X

- d. Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

⁶² *Id.* at 77.

⁶³ *Office of the Ombudsman v. Capulong*, G.R. No. 201643, March 12, 2014, 719 SCRA 209, 218.

⁶⁴ *Leus v. St. Scholastica's College Westgrove*, G.R. No. 187226, January 28, 2015, 748 SCRA 378, 397.

⁶⁵ *Great White Shark Enterprises, Inc. v. Caralde, Jr.*, G.R. No. 192294, November 21, 2012, 686 SCRA 201, 207.

⁶⁶ *Id.*, citing *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993, August 18, 2004, 437 SCRA 10, 26.

- i. The same goods or services, or
 - ii. Closely related goods or services, or
 - iii. If it nearly resembles such a mark as to be likely to deceive or cause confusion;
- e. Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

X X X

In *Mighty Corporation v. E. & J. Gallo Winery*,⁶⁷ we laid down the requirements for a finding of likelihood of confusion, thus:

There are two types of confusion in trademark infringement. The first is “confusion of goods” when an otherwise prudent purchaser is induced to purchase one product in the belief that he is purchasing another, in which case defendant’s goods are then bought as the plaintiff’s and its poor quality reflects badly on the plaintiff’s reputation. The other is “confusion of business” wherein the goods of the parties are different but the defendant’s product can reasonably (though mistakenly) be assumed to originate from the plaintiff, thus deceiving the public into believing that there is some connection between the plaintiff and defendant which, in fact, does not exist.

In determining the likelihood of confusion, the Court must consider: [a] the resemblance between the trademarks; [b] the similarity of the goods to which the trademarks are attached; [c] the likely effect on the purchaser and [d] the registrant’s express or implied consent and other fair and equitable considerations. (Citations omitted, emphasis supplied.)⁶⁸

While *Mighty Corporation* enumerates four requirements, the most essential requirement, to our mind, for the determination of likelihood of confusion is the existence of resemblance between the trademarks, *i.e.*,

⁶⁷ G.R. No. 154342, July 14, 2004, 434 SCRA 473.

⁶⁸ *Id.* at 504. 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 dominance 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).

colorable imitation. Absent any finding of its existence, there can be no likelihood of confusion. Thus we held:

Whether a trademark causes confusion and is likely to deceive the public hinges on “colorable imitation” which has been defined as “such similarity in form, content, words, sound, meaning, special arrangement or general appearance of the trademark or trade name in their overall presentation or in their essential and substantive and distinctive parts as would likely mislead or confuse persons in the ordinary course of purchasing the genuine article.” (Citations omitted.)⁶⁹

We had the same view in *Emerald Garment Manufacturing Corporation v. Court of Appeals*,⁷⁰ where we stated:

Proceeding to the task at hand, **the essential element of infringement is colorable imitation.** This term has been defined as “such a close or ingenious imitation as to be calculated to deceive ordinary purchasers, or such resemblance of the infringing mark to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives, and to cause him to purchase the one supposing it to be the other.”

Colorable imitation does not mean such similitude as amounts to identity. Nor does it require that all the details be literally copied. x x x (Citation omitted, emphasis supplied.)⁷¹

In determining colorable imitation, we have used either the dominancy test or the holistic or totality test. The dominancy test considers the similarity of the prevalent or dominant features of the competing trademarks that might cause confusion, mistake, and deception in the mind of the purchasing public. More consideration is given on the aural and visual impressions created by the marks on the buyers of goods, giving little weight to factors like process, quality, sales outlets, and market segments.⁷² On the other hand, the holistic test considers the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity. The focus is not only on the predominant words but also on the other features appearing on the labels.⁷³

⁶⁹ *Supra* note 67 at 506.

⁷⁰ G.R. No. 100098, December 29, 1995, 251 SCRA 600.

⁷¹ *Id.* at 614.

⁷² *Skechers, U.S.A., Inc. v. Inter Pacific Industrial Trading Corp.*, G.R. No. 164321, March 28, 2011, 646 SCRA 448, 455-456, citing *Prosource International, Inc. v. Horphag Research Management SA*, G.R. No. 180073, November 25, 2009, 605 SCRA 523, 531; *McDonald's Corporation v. MacJoy Fastfood Corporation*, *supra* note 33 at 106; and *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, G.R. No. 143993, August 18, 2004, 437 SCRA 10, 32.

⁷³ *Skechers, U.S.A., Inc. v. Inter Pacific Industrial Trading Corp.*, *supra* at 456; *Philip Morris, Inc. v. Fortune Tobacco Corporation*, G.R. No. 158589, June 27, 2006, 493 SCRA 333, 357.

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*.⁷⁴ In *UFC Philippines, Inc.*, we relied on our declarations in *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*,⁷⁵ *Co Tiong Sa v. Director of Patents*,⁷⁶ and *Societe Des Produits Nestle, S.A. v. Court of Appeals*⁷⁷ 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."

While there are no set rules as what constitutes a dominant feature with respect to trademarks applied for registration, usually, what are taken into account are 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.⁷⁸ In *UFC Philippines, Inc.*, what we considered as the dominant feature of the mark is the first word/figure that catches the eyes or that part which appears prominently to the eyes and ears.⁷⁹

However, while we agree with the CA's use of the dominancy test, we arrive at a different conclusion. Based on the distinct visual and aural differences between LOLANE and ORLANE, we find that there is no confusing similarity between the two marks.

The suffix LANE is not the dominant feature of petitioner's mark. Neither can it be considered as the dominant feature of ORLANE which would make the two marks confusingly similar.

First, an examination of the appearance of the marks would show that there are noticeable differences in the way they are written or printed as shown below:⁸⁰




As correctly argued by petitioner in his answer before the BLA, there are visual differences between LOLANE and ORLANE since the mark

⁷⁴ G.R. No. 198889, January 20, 2016, 781 SCRA 424.

⁷⁵ G.R. No. 143993, August 18, 2004, 437 SCRA 10.

⁷⁶ 95 Phil. 1 (1954).

⁷⁷ G.R. No. 112012, April 4, 2001, 356 SCRA 207.

⁷⁸ *Dermaline, Inc. v. Myra Pharmaceuticals, Inc.*, G.R. No. 190065, August 16, 2010, 628 SCRA 356, 367.

⁷⁹ *Supra* note 74 at 471.

⁸⁰ CA rollo, p. 36

ORLANE is in plain block upper case letters while the mark LOLANE was rendered in stylized word with the second letter L and the letter A co-joined.⁸¹

Second, as to the aural aspect of the marks, LOLANE and ORLANE do not sound alike. *Etepha v. Director of Patents, et al.*⁸² finds application in this case. In *Etepha*, we ruled that there is no confusing similarity between PERTUSSIN and ATUSSIN. The Court considered among other factors the aural differences between the two marks as follows:

5. As we take up Pertussin and Atussin once again, we cannot escape notice of the fact that the two words do not sound alike—when pronounced. There is not much phonetic similarity between the two. **The Solicitor General well-observed that in Pertussin the pronunciation of the prefix “Per”, whether correct or incorrect, includes a combination of three letters P, e and r; whereas, in Atussin the whole starts with the single letter A added to suffix “tussin”. Appeals to the ear are dissimilar.** And this, because in a word combination, the part that comes first is the *most pronounced*. An expositor of the applicable rule here is the decision in the Syrocol-Cheracol controversy. There, the ruling is that trademark Syrocol (a cough medicine preparation) is not confusedly similar to trademark *Cheracol* (also a cough medicine preparation). Reason: the two words “do not look or sound enough alike to justify a holding of trademark infringement”, and the “only similarity is in the last syllable, and that is not uncommon in names given drug compounds”. (Citation omitted, emphasis supplied.)⁸³

Similar to *Etepha*, appeals to the ear in pronouncing ORLANE and LOLANE are dissimilar. The first syllables of each mark, *i.e.*, OR and LO do not sound alike, while the proper pronunciation of the last syllable LANE—“LEYN” for LOLANE and “LAN” for ORLANE, being of French origin, also differ. We take exception to the generalizing statement of the Director General, which was affirmed by the CA, that Filipinos would invariably pronounce ORLANE as “ORLEYN.” This is another finding of fact which has no basis, and thus, justifies our reversal of the decisions of the IPO Director General and the CA. While there is possible aural similarity when certain sectors of the market would pronounce ORLANE as “ORLEYN,” it is not also impossible that some would also be aware of the proper pronunciation—especially since, as respondent claims, its trademark ORLANE has been sold in the market for more than 60 years and in the Philippines, for more than 40 years.⁸⁴

⁸¹ *Rollo*, p. 45.

⁸² G.R. No. L-20635, March 31, 1966, 16 SCRA 495.

⁸³ *Id.* at 501.

⁸⁴ *Rollo*, pp. 74-75.

Respondent failed to show proof that the suffix LANE has registered in the mind of consumers that such suffix is exclusively or even predominantly associated with ORLANE products. Notably and as correctly argued by petitioner, the IPO previously allowed the registration of the mark GIN LANE for goods also falling under Class 3, *i.e.*, perfume, cologne, skin care preparations, hair care preparations and toiletries.⁸⁵

We are mindful that in the earlier cases of *Mighty Corporation* and *Emerald*, despite a finding that there is no colorable imitation, we still discussed the nature of the goods using the trademark and whether the goods are identical, similar, competing or related. We need not belabor a similar discussion here considering that the essential element in determining likelihood of confusion, *i.e.*, colorable imitation by LOLANE of the mark ORLANE, is absent in this case. Resemblance between the marks is a separate requirement from, and must not be confused with, the requirement of a similarity of the goods to which the trademarks are attached. In *Great White Shark Enterprises, Inc v. Caralde, Jr.*,⁸⁶ after we ruled that there was no confusing similarity between Great White Shark's "GREG NORMAN LOGO" and Caralde's "SHARK & LOGO" mark due to the visual and aural dissimilarities between the two marks, we deemed it unnecessary to resolve whether Great White Shark's mark has gained recognition as a well-known mark.

Finding that LOLANE is not a colorable imitation of ORLANE due to distinct visual and aural differences using the dominancy test, we no longer find it necessary to discuss the contentions of the petitioner as to the appearance of the marks together with the packaging, nature of the goods represented by the marks and the price difference, as well as the applicability of foreign judgments. We rule that the mark LOLANE is entitled to registration.

WHEREFORE, the petition is **GRANTED**. The Decision of the Court of Appeals dated July 14, 2009 is **REVERSED** and **SET ASIDE**. Petitioner's application of the mark LOLANE for goods classified under Class 3 of the International Classification of Goods is **GRANTED**.

SO ORDERED.

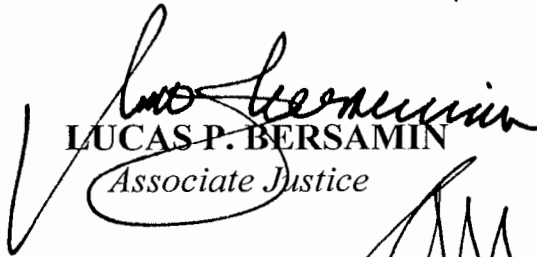

FRANCIS H. JARDELEZA
Associate Justice

⁸⁵ *Id.* at 22. The mark GIN LANE for goods under Class 3 was registered on January 15, 2007 but was eventually removed from register for non-use. See the Philippine Trademark Database, <<http://www.wipo.int/branddb/ph/en/>>.

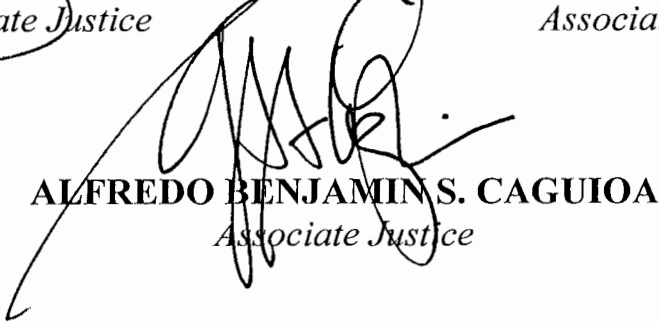
⁸⁶ *Supra* note 65.

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson


LUCAS P. BERSAMIN
Associate Justice


BIENVENIDO L. REYES
Associate Justice


ALFREDO BENJAMINS S. CAGUIOA
Associate Justice


ATTESTATION

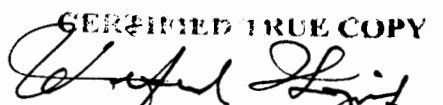
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's attestation, it is hereby certified 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.


MARIA LOURDES P. A. SERENO
Chief Justice

CERTIFIED TRUE COPY

WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

FEB 15 2017