



Republic of the Philippines
COURT OF APPEALS
Manila

LACOSTE S.A.

Petitioner,

CA-G.R. SP NO. 137801

- versus -

CROCODILE INTERNATIONAL PTE LTD.,

Respondent.

September 09, 2015

NOTICE OF JUDGMENT

Sir / Madam :

Please take notice that on September 08, 2015 a decision, copy hereto attached, was rendered by the SECOND DIVISION Court of Appeals, in the above-entitled case, the original copy of which is on file with this office.

You are hereby required to inform this Court under oath within five (5) days from receipt hereof, of the date when you received this notice and a copy of the decision.

Respectfully,

ATTY. TERESITA B. MARIGOMEN
Clerk of Court

By:

ATTY. DIONISIO C. JIMENEZ
Division Clerk of Court

Copy furnished :

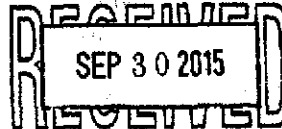
Atty. Rita Mario L. Mesina - reg .w/RC
Castillo Laman Tan Pantaleon & San Jose
2nd to 5th & 9th Floors, The Valero Tower
122 Valero St., Salcedo Village
1229 Makati City

Hechanova Bugay & Vilchez - reg .w/RC
G/F, Chemphil Building,
851 Antoniop Arnaiz Ave., Makati City

Office of the Director General - reg .w/RC
Atty. Nathaniel S. Arevalo - reg .w/RC
Intellectual Property Office
28 Upper McKinley Road,
McKinley Hill Town Center
Fort Bonifacio, Taguig City

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Intellectual Property Office of the Phils.
Office of the Director General-Legal



BY: _____ TIME: _____

Republic of the Philippines
COURT OF APPEALS
Manila

SECOND DIVISION

LACOSTE S.A.,
Petitioner,

CA-G.R. SP No. 137801

- versus -

Members:

**CROCODILE
INTERNATIONAL PTE LTD.,**
Respondent.

**SALAZAR-FERNANDO, R.A.,
Chairperson,
BALTAZAR-PADILLA, P. J., and
INTING S.B., JJ.**

Promulgated:

SEP 08 2015

X-----X

DECISION

INTING, S. B., J.:

In this Petition for Review¹ under Rule 43 petitioner Lacoste S.A. seeks to annul and set aside the *Decision*² dated 7 October 2014 of the Office of the Director General in IPC No. 14-2004-00115.

The following factual antecedents are matters of record:

On 27 December 1996 respondent Crocodile International PTE Limited filed before the Intellectual Property Office (IPO) an application for registration of the trademark "CROCODILE AND

¹ Rollo, Volume I, pp. 19-89.

² Rollo, Volume I, pp. 91-97.

DEVICE." (Application Serial No. 4-1996-116672).³

On 18 August 2004 petitioner filed a Verified Opposition⁴ alleging that the trademark sought to be registered by respondent is confusingly similar/identical to its trademark "CROCODILE DEVICE" and that it has the exclusive right to use the same being the registered owner thereof.

In its Answer, respondent maintained that its mark "CROCODILE AND DEVICE" is neither identical nor confusingly similar with that of petitioner. Moreover, it claimed that said marks are concurrently registered in other jurisdictions without any instance of confusion.⁵

After due proceedings, the Bureau of Legal Affairs (BLA) rendered Decision No. 2009-196⁶ dismissing petitioner's opposition, the dispositive portion of which reads:

"IN VIEW of all the foregoing, the instant Verified Notice of Opposition is, as it is, hereby DENIED. Consequently, trademark application bearing Serial No. 4-1996-116672 for the mark "Crocodile & Device" on goods under class 25 for shirts, t-shirts, polo shirts, suits, jackets, sweaters, vests, coats, skirts, jeans, pants, bermuda/shorts, socks, underwear, track suits, neckties, belts (clothing), stockings, hats, caps, wrist bands/head bands, swimwear, shoes, boots, and slippers filed on 27 December 1996 by Crocodile Int'l. PTE Ltd. is, as it is hereby, GIVEN DUE COURSE.

Let the file wrapper of "Crocodile & Device", subject of this case be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

³ Rollo, Volume I, p. 91.

⁴ Rollo, Volume I, pp. 206-216.

⁵ Rollo, Volume I, pp. 453-468.

⁶ Rollo, Volume I, pp. 167-189.

SO ORDERED.”

Petitioner filed a motion for reconsideration, but it was denied in Resolution No. 2013-13 (D) dated 21 June 2013.⁷

Expectedly, petitioner appealed to the IPO Director General.

In the assailed Decision⁸ the IPO Director General dismissed the appeal, viz:

“WHEREFORE, premises considered, the instant appeal is hereby dismissed. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.”

In dismissing the appeal, the IPO Director General held that respondent had adduced evidence to prove that it has used and continue to use the mark “CROCODILE AND DEVICE” for several decades in various jurisdictions all over the world. Furthermore, he found no confusing similarity between the subject marks notwithstanding that both contained the device of a crocodile as their dominant feature. He observed that petitioner's mark bore the word “LACOSTE” while that of respondent's bore the word “CROCODILE”. Therefore, there is no likelihood of confusion between the two.

Hence, the present petition, based on the ground that:

**“THE ASSAILED DECISION WAS
RENDERED WITHOUT SUPPORTING**

⁷ Rollo, Volume I, pp. 191-195.

⁸ Supra note 2.

**SUBSTANTIAL EVIDENCE AND
CONTRARY TO LAW."⁹**

Section 38 of Republic Act No. 166, as amended ("RA 166"),¹⁰ the law applicable to this case, defines trademark as "any word, name, symbol, emblem, sign or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured, sold or dealt in by others." This definition has been simplified in R.A. No. 8293, the Intellectual Property Code of the Philippines, which defines a "trademark" as "any visible sign capable of distinguishing goods."¹¹

"The purpose of the law protecting a trademark cannot be overemphasized. They are to point out distinctly the origin of ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into market a superior article of merchandise, the fruit of his industry and skill, and to prevent fraud and imposition."¹²

Essentially, the issue here is whether there is a confusing similarity between the "CROCODILE DEVICE" trademark of petitioner and respondent's "CROCODILE AND DEVICE" mark such that the former can rightfully prevent the IPO registration of the latter.

Whether a mark 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 tradename 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."¹³

In determining similarity and likelihood of confusion, case law has developed the Dominancy Test and the Holistic or Totality Test. The Dominancy Test focuses on the similarity of the dominant features of the competing trademarks that might cause confusion,

⁹ Rollo, Volume I, p. 33.

¹⁰ An Act to Provide for the Registration and Protection of Trademarks, Trade-Names, and Service-Marks, Defining Unfair Competition and False Marking and Providing Remedies Against the Same, and for Other Purposes.

¹¹ *Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999.

¹² *Heirs of Gabriel-Almoradie v. Court of Appeals*, G.R. No. 91385, 4 January 1994.

¹³ *Mighty Corp. v. E. & J. Gallo Winery*, G.R. No. 154342, 14 July 2004.

mistake, and deception in the mind of the ordinary purchaser, and gives more consideration to the aural and visual impressions created by the marks on the buyers of goods, giving little weight to factors like prices, quality, sales outlets, and market segments. In contrast, the Holistic or Totality Test considers the entirety of the marks as applied to the products, including the labels and packaging, and focuses not only on the predominant words but also on the other features appearing on both labels to determine whether one is confusingly similar to the other as to mislead the ordinary purchaser. The "ordinary purchaser" refers to one "accustomed to buy, and therefore to some extent familiar with, the goods in question."¹⁴

Applying the foregoing tests to the present controversy and taking into account the factual circumstances of this case, We resolve the issue in the negative.

The dominant feature of both marks is the crocodile device. However, in determining whether the marks are confusingly similar, the comparison must not be limited to the marks themselves. Their entirety as they appear in their respective labels or hang tags 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 mark 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.¹⁵

Here, petitioner's mark is accompanied with the word "LACOSTE" below it. On the other hand, directly above respondent's mark is the word "CROCODILE". The use of these words in both marks distinguishes one from the other such that goods with the crocodiles mark and the word "LACOSTE" would necessarily be associated with petitioner and goods with the word "CROCODILE" and crocodile device would pertain to respondent. Moreover, there are also differences in the fonts, styles and sizes used in the words appearing in both marks. Consequently there is no confusing similarity between the two.

Moreover, the products involved are expensive and not merely ordinary household items which are of minimal cost. Thus, the ordinary intelligent buyer would closely scrutinize the goods he/she is

¹⁴ Great White Shark Enterprises, Inc. v. Caralde, Jr., G.R. No. 192294, 21 November 2012.

¹⁵ Fruit of the Loom v. Court of Appeals, G.R. No. L-32747, 29 November 1984.

purchasing.

The Supreme Court's pronouncements on this matter in *Emerald Garment Manufacturing Corp. v. Court of Appeals*¹⁶ are enlightening:

First, the products involved in the case at bar are, in the main, various kinds of jeans. . . . Maong pants or jeans are not inexpensive. **Accordingly, the casual buyer is predisposed to be more cautious and discriminating in and would prefer to mull over his purchase. Confusion and deception, then, is less likely.** In *Del Monte Corporation v. Court of Appeals*, we noted that:

. . . Among these, what essentially determines the attitudes of the purchaser, specifically his inclination to be cautious, is the cost of the goods. To be sure, a person who buys a box of candies will not exercise as much care as one who buys an expensive watch. As a general rule, an ordinary buyer does not exercise as much prudence in buying an article for which he pays a few centavos as he does in purchasing a more valuable thing. **Expensive and valuable items are normally bought only after deliberate, comparative and analytical investigation.** But mass products, low priced articles in wide use, and matters of everyday purchase requiring frequent replacement are bought by the casual consumer without great care. (Emphasis supplied)

Verily, the protection of trademarks as intellectual property is intended not only to preserve the goodwill and reputation of the business established on the goods bearing the mark through actual use over a period of time, but also to safeguard the public as consumers against confusion on these goods. On this matter of

particular concern, administrative agencies, such as the IPO, by reason of their special knowledge and expertise over matters falling under their jurisdiction, are in a better position to pass judgment thereon. Thus, their findings of fact in that regard are generally accorded great respect, if not finality by the courts, as long as they are supported by substantial evidence, even if such evidence might not be overwhelming or even preponderant. It is not the task of the appellate court to weigh once more the evidence submitted before the administrative body and to substitute its own judgment for that of the administrative agency in respect to sufficiency of evidence.¹⁷

WHEREFORE, in light of all the foregoing, the petition is **DENIED**. The assailed Decision dated 7 October 2014 in IPC Case No. 14-2004-00115 is hereby **AFFIRMED**.

SO ORDERED.

ORIGINAL SIGNED
SOCORRO B. INTING
Associate Justice

WE CONCUR:

ORIGINAL SIGNED
REMEDIOS A. SALAZAR-FERNANDO
Associate Justice

ORIGINAL SIGNED
PRISCILLA J. BALTAZAR-PADILLA
Associate Justice

¹⁷ Berris Agricultural, Co. Inc. v. Agbayadang, G.R. No. 183404, 13 October 2010.

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

ORIGINAL SIGNED
REMEDIOS A. SALAZAR-FERNANDO
Chairperson, Second Division


CERTIFIED TRUE COPY

DIONISIO C. JIMENEZ
DIVISION CLERK OF COURT