

EN BANC

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

Promulgated:

February 9, 2021

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SEPARATE CONCURRING OPINION

PERLAS-BERNABE, J.:

I concur. The petition should be granted.

Contrary to the Courts of Appeals' (CA) ruling, *res judicata* – whether in the concept of “bar by prior judgment” or “conclusiveness of judgment” – holds no application in this case. Thus, it erred in granting respondent Kolin Philippines International, Inc.'s (KPII) Trademark Application No. 4-2006-010021 for the mark **kolin** over the opposition of petitioner Kolin Electronics Co., Inc. (KECI), the registered owner<sup>1</sup> of the word mark *KOLIN*.

I.

To recount, the CA's application of the *res judicata* doctrine was based on the final judgment in *Taiwan Kolin Corporation, Ltd. (TKC) v. Kolin Electronics Co., Inc.*<sup>2</sup> (2015 *Taiwan Kolin*), which was decided by the Court's then-Third Division on March 25, 2015.

In 2015 *Taiwan Kolin*, the Court upheld the Intellectual Property Office's (IPO) ruling to give due course to TKC's application for the **KOLIN** mark covering “television and DVD player”<sup>3</sup> notwithstanding

<sup>1</sup> Under Registration No. 4-1993-87497. See Certificate of Registration dated August 2, 2004; *rollo*, p. 52.

<sup>2</sup> 757 Phil. 326 (2015).

<sup>3</sup> The dispositive portion of the IPO's ruling, which was upheld by the Court's Third Division in 2015 *Taiwan Kolin* (*id.* at 333), reads:

Wherefore, premises considered, the appeal is hereby GRANTED. The Appellant's Trademark Application No. 4-1996-106310 is hereby **GIVEN DUE COURSE** subject to the use limitation or restriction for the goods “television and DVD player”. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

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KECI's ownership of the *KOLIN* mark covering the goods “**automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, PA amplified AC-DC.**”<sup>4</sup> Notably, it is observed that KECI's *KOLIN* mark is a word mark,<sup>5</sup> which means that the word “Kolin” itself is protected for the use of the said mark to represent the same/related goods and products for which such registration was granted.

In this case, the CA found that KPII was an affiliate of TKC, who had been expressly authorized to adopt and use the **KOLIN** mark in the Philippines, which mark TKC owns by virtue of *2015 Taiwan Kolin*. Thus, considering TKC's ownership of the **KOLIN** mark, and TKC's authorization in favor of KPII to adopt and use the same, the CA concluded that KPII should be allowed to register its own *kolin* mark covering “television set and DVD players” despite the opposition of KECI. According to the CA, the doctrine of *res judicata* forbids it from reaching a conclusion contrary to the *2015 Taiwan Kolin* final judgment, *viz.*:

**In fact, in the recent case of *Taiwan Kolin Corporation, Ltd. v. Kolin Electronics, Co., Inc.* (TKCL case), a case substantially similar to the present case, the Supreme Court already ruled that [TKC], to which KPII is affiliated, can register the mark “KOLIN” for the goods television and DVD player despite the opposition of KECI. The ruling of the Court is instructive, thus:**

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From the foregoing, **it is clear that KPII may register the mark “KOLIN” for its television set and DVD players. The doctrine of *res judicata* forbids us from arriving at a contrary conclusion.** A long-established doctrine on litigation, *res judicata* is an old axiom of law, dictated by wisdom and sanctified by age, and founded on the broad principle that it is to the interest of the public that there should be an end to litigation by the same parties over a subject once fully and fairly adjudicated. It has been appropriately said that the doctrine is a rule pervading every well-regulated system of jurisprudence, and is put upon two grounds embodied in various maxims of the common law; one, public policy and necessity, which makes it to the interest of the State that there should be an end to litigation – *interes republicae ut sit finis litium*; the other, the hardship on the individual that he should be vexed twice for one and the same cause – *nemo debet bis vexari pro una et eadem causa*. A contrary doctrine would subject the public peace and quiet to the will and neglect of individuals and prefer the gratification of the litigious disposition on the part of suitors to the preservation of the public tranquility and happiness. The elements of *res judicata* are: (1) the former judgment must be final; (2) the former judgment must have been rendered by a court having jurisdiction of the subject matter and the parties; (3) the former judgment must be a judgment on the merits; and (4) there must be between the first and subsequent actions (i) identity of parties or at least such as representing the same interest in both actions; (ii) identity of subject matter; or of the rights asserted and relief prayed for, the relief being founded on the same

<sup>4</sup> See *ponencia*, p. 2.

<sup>5</sup> See *rollo*, p. 52.

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facts; and, (iii) identity of causes of action in both actions such that any judgment that may be rendered in the other action will, regardless of which party is successful, amount to *res judicata* in the action under consideration.

All of these requisites are fulfilled in the instant case. While KPII may not be involved in the TKCL case, it must be noted that KPII is an affiliate company of [TKC], as admitted by KECI. An absolute identity of parties is not required for *res judicata* to apply, for as long as there exists an identity or community of interest.<sup>6</sup> (Emphases and underscoring supplied)

The CA is mistaken. *Res judicata* does not apply in this case.

## II.

*Res judicata* means “a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment.’ It lays the rule that an existing final judgment or decree rendered on the merits, without fraud or collusion, by a court of competent jurisdiction, upon any matter within its jurisdiction, is conclusive of the rights of the parties or their privies, in all other actions or suits in the same or any other judicial tribunal of concurrent jurisdiction on the points and matters in issue in the first suit.”<sup>7</sup>

As earlier intimated, *res judicata* contemplates two (2) concepts. These are:

(a) **bar by prior judgment**, which means that “the judgment or decree of the court of competent jurisdiction on the merits concludes the litigation between the parties, as well as their privies, and **constitutes a bar to a new action or suit involving the same cause of action** before the same or any other tribunal”;<sup>8</sup> and

(b) **conclusiveness of judgment**, which means that “**any right, fact or matter in issue directly adjudicated or necessarily involved in the determination of an action** before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein and **cannot again be litigated** between the parties and their privies, **whether or not the claim, demand, purpose, or subject matter of the two actions is the same.**”<sup>9</sup>

<sup>6</sup> Rollo, pp. 35-45.

<sup>7</sup> See *Monterona v. Coca-Cola Bottlers Philippines, Inc.*, G.R. No. 209116, January 14, 2019, citing *Spouses Selga v. Brar*, 673 Phil. 581, 591 (2011).

<sup>8</sup> See *id.*, citing *Oropeza Marketing Corporation v. Allied Banking Corporation*, 441 Phil. 551, 564 (2002); emphasis and underscoring supplied.

<sup>9</sup> See *id.*; emphasis and underscoring supplied.

While “bar by prior judgment” requires an identity of parties, subject matter, and causes of action,<sup>10</sup> “conclusiveness of judgment” only requires **identity of issues and parties.**

At this juncture, I deem it apt to clarify that some formulations of “conclusiveness of judgment” in case law as loosely referring to “identity of subject matter”<sup>11</sup> are inaccurate. I find that this clarification is relevant to this case because in its petition, KECI asserts<sup>12</sup> that there is no “conclusiveness of judgment” since the subject matter in *2015 Taiwan Kolin* is the registration of the **KOLIN** mark, while the subject matter of this case is KPPII’s **kolin**. In other words, KECI postulates that the subject matter in general of both cases are different and hence, “conclusiveness of judgment” does not apply in this case.

However, this is misnomer; contrary to the posturing of KECI,<sup>13</sup> identity of the subject matter of litigation in general is not required for “conclusiveness of judgment.” The definition cited above, in fact, makes it clear that “conclusiveness of judgment” means that “any right, fact or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies, **whether or not the claim, demand, purpose, or subject matter of the two actions is the same.**”<sup>14</sup>

Rather, only the identity of a **particular matter**, fact or issue raised in litigation – *as opposed to the subject matter of the litigation in general* – is required for “conclusiveness of judgment” to operate. This narrower limitation is more in accord with the concept’s essence which is to preclude a re-litigation of “**any right, fact or matter in issue directly adjudicated or necessarily involved in the determination of an action.**” This is in contrast with the broader import of “identity of subject matter” as used in “bar by prior judgment,” which should refer to the identity of the subject matter of litigation in general because this latter concept of *res judicata* does not merely preclude raising an issue in litigation but instead, constitutes an affirmative defense, (usually raised in a motion to dismiss) that **forecloses the entire action itself.**

In *Degayo v. Magbanua-Dinglasan*,<sup>15</sup> the Court had the occasion to explain the narrow precluding effect of conclusiveness of judgment based on

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<sup>10</sup> See *id.*

<sup>11</sup> See *Ley Construction & Development Corporation v. Philippine Commercial & International Bank*, 635 Phil. 503 (2010); and *Alcantara v. Department of Environment and Natural Resources*, 582 Phil. 717 (2008).

<sup>12</sup> See *rollo*, pp. 16-17.

<sup>13</sup> See *id.*

<sup>14</sup> See *Monterona v. Coca-Cola Bottlers Philippines, Inc.*, *supra*, citing *Oropeza Marketing Corporation v. Allied Banking Corporation*, *supra*; emphasis and underscoring supplied.

<sup>15</sup> 757 Phil. 376 (2015).

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its discussion that “only the identities of parties and **issues** are required for the operation of the principle of conclusiveness of judgment,” *viz.*:

Conclusiveness of judgment finds application when a fact or question has been squarely put in issue, judicially passed upon, and adjudged in a former suit by a court of competent jurisdiction. The fact or question settled by final judgment or order binds the parties to that action (and persons in privity with them or their successors-in-interest), and continues to bind them while the judgment or order remains standing and unreversed by proper authority on a timely motion or petition; the conclusively settled fact or question furthermore cannot again be litigated in any future or other action between the same parties or their privies and successors-in-interest, in the same or in any other court of concurrent jurisdiction, either for the same or for a different cause of action. **Thus, only the identities of parties and issues are required for the operation of the principle of conclusiveness of judgment.**

While conclusiveness of judgment does not have the same barring effect as that of a bar by former judgment that proscribes subsequent actions, **the former nonetheless estops the parties from raising in a later case the issues or points that were raised and controverted, and were determinative of the ruling in the earlier case.** In other words, **the dictum laid down in the earlier final judgment or order becomes conclusive and continues to be binding between the same parties, their privies and successors-in-interest, as long as the facts on which that judgment was predicated continue to be the facts of the case or incident before the court in a later case;** the binding effect and enforceability of that earlier dictum can no longer be re-litigated in a later case since the issue has already been resolved and finally laid to rest in the earlier case.<sup>16</sup> (Emphases and underscoring supplied)

KECI’s misconception of “conclusiveness of judgment” notwithstanding, still, the CA’s ruling remains riddled with error because both concepts of *res judicata* hold no application in this case.

To be sure, *res judicata* in the concept of “bar by prior judgment” does not apply since the subject matters of litigation and necessarily, the causes of action between *2015 Taiwan Kolin* and the present case are not identical. In particular, the *2015 Taiwan Kolin* case involves TKC’s Trademark Application No. 4-1996-106310 for **KOLIN** covering televisions and DVD players, while the present case involves KPII’s own act of filing a different Trademark Application No. 4-2006-010021 for the mark **kolin**, albeit also covering the same goods, *i.e.*, televisions and DVD players. When distinct trademark applications seeking for different trademark registrations are filed in separate cases – as in this case – *res judicata* in the concept of “bar by prior judgment” cannot apply due to the basic lack of identity in subject matters and causes of action.

<sup>16</sup> *Id.* at 385-386; citations omitted,

In fact, while it is not explicitly stated in the CA's decision, it is highly apparent that the CA did not apply *res judicata* in the concept of "bar by prior judgment" for to do so would be to bar KPII's subsequent trademark application and hence, its petition before the CA in this case. Quite the opposite, the CA actually ruled in favor of KPII and thus allowed its action. Further, the CA utilized the *2015 Taiwan Kolin* final judgment, and held that it could not have deviated from the findings in the said case. Hence, what the CA truly applied was *res judicata* in the concept of "conclusiveness of judgment" under the notion that the ownership of the mark "Kolin" has already been settled in favor of TKC and in turn, should now benefit KPII as the former's assignee/affiliate. In the end, the CA ruled that KPII should be allowed to register its own **kolin** mark over the opposition of KECI.

However, it should be discerned that **the CA's application of *res judicata* in the concept of conclusiveness of judgment failed to take into account the nature of TKC's **KOLIN** mark as a mere design mark, which attribution should consequently limit the legal effects of the *2015 Taiwan Kolin* final judgment.** As will be discussed below, TKC – having been adjudged as the owner of a mere design mark – could have only assigned to KPII the right to adopt and use its mark under the specific stylization and design of **KOLIN**. As the owner of a mere design mark, TKC was not accorded any exclusive right to use the word "Kolin" in whatever future stylizations it may deem fit for the pursuit of its trade or business. *This is unlike the owner of a word mark who enjoys exclusive protection over the words, letters, or numbers themselves in the registered mark and, hence, gives it (as well as its privies) the right to adopt the protected word, letters, or numbers in whatever stylized versions for the same type of goods and services.*

### III.

Based on widely-accepted intellectual property law principles, the protection of the rights accorded under a word mark is far greater than that accorded under a design or a stylized mark.

As defined by the World Intellectual Property Organization (WIPO), a design mark or stylized mark is a mark which consists of not only characters, but also a specific design, color, or some other distinctive element.<sup>17</sup>

On the other hand, a word mark is defined by the WIPO as a mark composed of only words, letters, numbers, or a combination of them.<sup>18</sup> While

<sup>17</sup> See World Intellectual Property Organization. "Making a Mark: An Introduction to Trademarks for Small and Medium-sized Enterprises," p. 9. WIPO Publication No. 900.1E <[https://www.wipo.int/edocs/pubdocs/en/wipo\\_pub\\_900\\_1.pdf](https://www.wipo.int/edocs/pubdocs/en/wipo_pub_900_1.pdf)> (last visited February 11, 2021).

<sup>18</sup> See id.

our own trademark rules do not expressly define a word mark, it nonetheless describes what a word mark does not constitute:

In the case of word marks or if **no special characteristics have to be shown, such as design, style of lettering, color, diacritical marks, or unusual forms of punctuation, the mark must be represented in standard characters.** The specification of the mark to be reproduced will be indicated in the application form and/ or published on the website.<sup>19</sup>

Based on the foregoing, what therefore sets apart a design mark from a word mark is the lack of special characteristics and that it is plainly exhibited in standard characters only. This lack of any peculiar characterization of style or design evinces that the word in itself (and not its style representation) is intended to be protected.

At this juncture, the nature of TKC's **KOLIN** mark must be examined since KPII's **kolin** mark merely rides on the strength of **KOLIN**. In fact, this is the exact import of the CA's ratiocination as demonstrated by its application of the *res judicata* doctrine.

#### IV.

While the records of this case do not include the trademark application and registration of TKC (as this is a case between KECI and KPII), it can still be reasonably inferred that TKC's **KOLIN** mark is a design mark and not a word mark because of its obvious specific stylization and design appearing on its face. As previously discussed, the indication of what constitutes a word mark is that no special characteristics have to be shown, such as design, style of lettering, color, diacritical marks, or unusual forms of punctuation, and that the mark is merely represented in standard characters, which description does not square with TKC's **KOLIN**.

In fact, the Court, in *2015 Taiwan Kolin*, explicitly characterized TKC's **KOLIN** mark based on its special design, describing the same as "[colored] white in pantone red color background."<sup>20</sup> Meanwhile, nowhere in *2015 Taiwan Kolin* was **KOLIN** referred to as a word mark, nor was there any reference to **KOLIN** as covering the word "Kolin" itself.

While the *ponencia* incisively pointed out<sup>21</sup> that the Court's then-Third Division committed a mistake by describing TKC's other "Kolin" mark (*i.e.*, **KOLIN**), under Application No. 4-2002-011002 which was already "refused [registration by the IPO] for non-filing of DAU/DNU"<sup>22</sup>), instead of

<sup>19</sup> See Rule 402 of the Trademark Regulations of 2017.

<sup>20</sup> *Taiwan Kolin Corporation, Ltd. v. Kolin Electronics Co., Inc.* supra note 2, at 342.

<sup>21</sup> See *ponencia*, pp. 7-8.

<sup>22</sup> See *id.* at 7.

**KOLIN** which was the true subject matter of TKC's application in *2015 Taiwan Kolin*, this mistake does not negate the fact that the Court still accorded a specific description to TKC's mark and hence, implicitly characterized it as a design mark. To my mind, **the fact of according a specific description to a mark** evinces that what was applied for was a design or stylized mark, as compared to a word mark which needs to be presented in standard characters only. This intent is what appears on the face of the ruling in *2015 Taiwan Kolin* and thus, it must be assumed that the reference to the other **KOLIN** mark was a mere inadvertent error which does not take anything away from the Court's implicit appreciation of **KOLIN** as a design mark itself. Besides, it should be stressed that the only difference between **KOLIN** and **KOLIN** is the red color background and the color of the word "Kolin." The representation of "Kolin" in a special font, and not a default standard font, perceptibly squares with the character of stylized marks as was discussed here.

In comparison, there is evidence to show that KECI's *KOLIN* mark is a word mark based on its Certificate of Registration<sup>23</sup> which is part of the records of this case. The certificate does not describe KECI's mark under any specific characterization and in fact, states that: "Claim of color: None," "Disclaimer: None," and "Translation or transliteration: None."<sup>24</sup> Likewise, perusing the rulings of the Bureau of Trademarks, the Office of the President, and the final CA Decision in the case between KECI and TKC over *KOLIN*, no specific description was taken into account by these bodies with respect to *KOLIN*. This is, again, in contrast to TKC's **KOLIN** which was specially described by the Court based on a peculiar design and styling.

In fact, the established nature of KECI's *KOLIN* as a word mark strengthens the conclusion that TKC's **KOLIN** is a mere design mark. This is because a word mark accords protection to the words, letters, and numbers themselves; hence, it could not have been the intention of the Court's Third Division in *2015 Taiwan Kolin* to have two (2) word marks subsisting at the same time since it was already made aware of KECI's ownership of the *KOLIN* word mark, which was submitted as evidence in that case. A further exposition is fitting.

## V.

According to the WIPO, a word mark "often provides broad protection because it allows the owner to limit a competitor's use of any figurative version of the trademark that is confusingly similar for the

<sup>23</sup> *Rollo*, p. 52.

<sup>24</sup> *Id.*

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same type of goods or services.<sup>25</sup> Otherwise stated, “[t]he words and/or letters or numbers themselves are protected.”<sup>26</sup>

On the other hand, stylized marks offer narrow protection because “should the image change in any way, the registration loses its enforceability to an extent since it pertains to that exact registration.”<sup>27</sup> Simply put, **the registrant of a stylized mark only gains rights and protection over the particular and specific stylization of the registered mark.**

Bearing in mind the varied scope of protection of design marks and word marks, it should be presumed that the Court’s then-Third Division was well aware of KECI’s ownership of the *KOLIN* word mark because its trademark registration therefor was the main subject of its opposition to TKC’s **KOLIN**, which fact was not only supported by evidence, but also settled by a final and executory judgment.<sup>28</sup> Hence, in my humble opinion, **the Court’s then-Third Division could not have envisioned two (2) diametrically-opposed final and executory rulings awarding trademark ownership over the word “Kolin” to two (2) different entities.** *Verily, not only would this scenario amount to an injustice on the part of KECI as the adjudged owner of the *KOLIN* word mark, but likewise, propagate anomalous jurisprudence that defeats the very purpose of trademarks as source indicators in contravention of the policy of commercial stability underlying our trademark system.*

In this relation, it is noted that the characterization of TKC’s **KOLIN** mark (whether as a word or design mark) was not at issue in *2015 Taiwan Kolin* and consequently, was never traversed in the ruling of the Court’s then-Third Division; hence, the present interpretation concerning the true nature of **KOLIN** does not technically contravene the immutability of judgment principle because nothing therein has been modified or reversed.

Meanwhile, the nature of TKC’s **KOLIN** mark – while likewise not squarely raised as an issue here – is nonetheless necessary to arrive at a just disposition of this case; this is because of the indelible fact that KPII’s *kolin* mark application rides on the strength of TKC’s **KOLIN**. As case law holds:

[T]he appellate court in deciding the case shall consider only the assigned errors, however, it is equally settled that the Court is clothed with ample

<sup>25</sup> See World Intellectual Property Organization. “Making a Mark: An Introduction to Trademarks for Small and Medium-sized Enterprises,” p. 9. WIPO Publication No. 900.1E <[https://www.wipo.int/edocs/pubdocs/en/wipo\\_pub\\_900\\_1.pdf](https://www.wipo.int/edocs/pubdocs/en/wipo_pub_900_1.pdf)> (last visited February 11, 2021).

<sup>26</sup> *Id.*; emphasis supplied.

<sup>27</sup> *Id.*; emphasis and underscoring supplied

<sup>28</sup> See Court of Appeal’s Decision dated July 31, 2016 in CA-G.R. SP No. 80641 (*rollo*, pp. 78-102) and Entry of Judgment dated November 16, 2007 in G.R. No. 179007 (*id.* at 103).

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authority to review matters **not assigned as errors in an appeal, if it finds that their consideration is necessary to arrive at a just disposition of the case.**<sup>29</sup> (Emphasis supplied)

Hence, by all the foregoing indications as well as the reasons above-explained, TKC's **KOLIN** mark should be deemed as a mere design mark, while KECI's *KOLIN* a word mark, which facts are pertinent to the disposition of the present case.

## VI.

Proceeding from the premise that TKC's **KOLIN** is a mere design or stylized mark, **the issue anent the right to use the word "Kolin" in so far as KPII's Trademark Application No. 4-2006-010021 for the mark kolin is concerned** has thus – contrary to the CA's ruling – **not been conclusively settled.** This therefore negates the application of the principle of "conclusiveness of judgment."

To explain, when TKC expressly authorized KPII to adopt and use its **KOLIN** mark in the Philippines and register the same in its business dealings, KPII only obtained rights over the specific stylized **KOLIN** mark of TKC, and not to the use of the word "Kolin" for the same goods or services. **Thus, KPII's new application should be independently treated as its own case without the benefit of the "conclusiveness of judgment principle" – at least insofar as the right to use the "Kolin" word in its kolin mark application filed in this case.**

In other words, KPII's own stylized **kolin** mark – described as "'kolin' in small-case letters; letter 'i' is [colored] orange while [letters] 'k, o, l, n' are in plain black"<sup>30</sup> – must be treated as a fresh design mark application that must rise and fall on its own merits vis-à-vis KECI's opposition hinged upon the word mark *KOLIN*. Accordingly, the new stylization of the **kolin** mark and all factors related to such use **constitute a new set of facts** different from that in *2015 Taiwan Kolin*, to which intellectual property principles on likelihood of confusion, product relatedness, and expansion of business, among others, should be applied anew relative to the *KOLIN* word mark of KECI. All told, *res judicata* – either by "bar by prior judgment" or "conclusiveness of judgment" – does not apply in this case.

With the non-application of *res judicata* now having been settled, I express my concurrence with the *ponencia's* exhaustive discussion against the registration of KPII's **kolin**. As the *ponencia* amply explained, KPII's **kolin**

<sup>29</sup> *Spouses Cuyco v. Spouses Cuyco*, 521 Phil. 796, 806-807 (2006).

<sup>30</sup> See *rollo*, p. 31.

mark should not be registered due to the undisputed registration of KECI's *KOLIN*. Using the **dominancy test**<sup>31</sup> – which is now explicitly incorporated into law under Section 155<sup>32</sup> of Republic Act No. 8293,<sup>33</sup> otherwise known as the “Intellectual Property Code of the Philippines” – KPII's *kolin* mark is confusingly similar with KECI's *KOLIN* mark. Without a doubt, the dominant feature in both marks is the word “Kolin” and are in fact, phonetically/aurally the same, hence, resulting into the confusion of the product source to the public.

On this score, it should be pointed out that although KECI's *KOLIN* covers “automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer, PA amplified AC-DC,” the **potential expansion of business doctrine** protects KECI's mark equally for the products of “television and DVD players,” which KPII's *kolin* mark intends to cover in this case. In *McDonald's Corporation v. L.C Big Mak Burger, Inc.*,<sup>34</sup> this Court held that:

Modern law recognizes that the protection to which the owner of a trademark is entitled is not limited to guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trademark or trade-name is likely to lead to a confusion of source, as where

<sup>31</sup> “The Dominancy Test focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception, and thus infringement. If the competing trademark contains the main, essential or dominant features of another, and confusion or deception is likely to result, infringement takes place. Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate. The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or deceive purchasers.” (*Mang Inasal Philippines, Inc. v. IFP Manufacturing Corporation*, 811 Phil. 261 [2017], citing *Mighty Corporation v. E. & J. Gallo Winery*, 478 Phil. 615 [2004].)

<sup>32</sup> Section 155 of RA 8293 reads:

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

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. (Emphases and underscoring supplied)

<sup>33</sup> Entitled “AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES” (January 1, 1998).

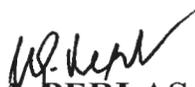
<sup>34</sup> 480 Phil. 402 (2004).

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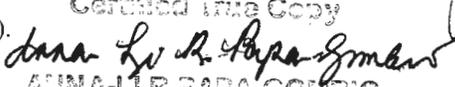
prospective purchasers would be misled into thinking that the complaining party has extended his business into the field (see 148 ALR 56 et seq; 53 Am. Jur. 576) or is in any way connected with the activities of the infringer; or when it forestalls the normal potential expansion of his business (v. 148 ALR 77, 84; 52 Am. Jur. 576, 577).<sup>35</sup>

In fine, KPII cannot register for itself a stylized mark which – applying the now prevailing **dominancy test** – is confusingly similar to KECI's *KOLIN*, and covers related goods for which the latter word mark was registered by KECI. In the end, KECI's word mark should be respected in this case.

Based on the foregoing reasons, the petition should be **GRANTED**.

  
**ESTELA M. PERLAS-BERNABE**  
Senior Associate Justice

<sup>35</sup> Id. at 432, citing *Sta. Ana v. Maliwat*, 133 Phil. 1006, 1013 (1968).

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**ANNA-LI R. PAPA-GONZALO**  
Deputy Clerk of Court En Banc  
CCC En Banc, Supreme Court