

FIRST DIVISION

[G.R. No. 250800. July 6, 2021.]

SUYEN CORPORATION, *petitioner*, vs. **DANJAQ LLC**, *respondent*.

DECISION

CARANDANG, *Jp*:

This is a Petition for Review on *Certiorari* **1** under Rule 45 of the [Rules of Court](#) assailing the Decision **2** dated September 2, 2019 and the Resolution **3** dated December 4, 2019 of the Court of Appeals (CA) in CA-G.R. SP No. 159794. The said Decision and Resolution denied petitioner Suyen Corporation's (Suyen) petition for review (under Rule 43 of the [Rules of Court](#)) and affirmed the Decision **4** dated December 20, 2018 of the Office of the Director General (ODG) of the Intellectual Property Office (IPO). The ODG, in turn, dismissed Suyen's appeal and affirmed the Decision **5** dated October 10, 2014 of the IPO's Bureau of Legal Affairs (BLA), which sustained respondent Danjaq, LLC's (Danjaq) opposition to Suyen's application for the mark "AGENT BOND."

Facts of the Case

Suyen is a corporation operating in the Philippines using the BENCH trademark. On February 16, 2010, it filed an application for the registration of the mark AGENT BOND — specifically for "hair refresher, hair gel, hair lotion, hair treatment, hair shampoo, and hair conditioner." **6**

Danjaq, a foreign corporation based in Santa Monica, California, United States of America, opposed Suyen's application for being confusingly similar with its trademark, JAMES BOND. According to Danjaq, Suyen's AGENT BOND is an attempt to ride on the popularity of JAMES BOND and its associated "Bond" marks. James Bond, also known as Agent 007, is a fictional character who portrays himself as a British Secret Agent/Spy. James Bond has been the star of 22 films since 1962 and has gained international popularity due to the success of the James Bond films/franchise. Because of the character's popularity as James Bond/Agent 007, Danjaq claimed to have prior use of the AGENT BOND mark. **7**

In its Answer **8** to Danjaq's opposition, Suyen denied any confusing similarity between the marks AGENT BOND and JAMES BOND. Suyen explained that JAMES BOND is not known as Agent Bond and has never been referred to as Agent Bond in any of the 22 films. Even if James Bond is referred to as Agent Bond, the supposed popularity of the JAMES BOND mark is insufficient to prove that it is a well-known mark in accordance with Section 123.1 of the [Intellectual Property Code](#). **9**

Suyen questioned Danjaq's claim that it sold products here in the Philippines. The documentary evidence attached to Danjaq's Opposition **10** to prove sales of BOND GIRL 007 products in the Philippines is an alleged royalty report with no explanation or indication that such was for product sales in the Philippines. **11**

Suyen narrated the facts leading to its application for registration of the AGENT BOND mark. It entered the service industry with its sister companies **12** by operating beauty salons named "FIX Bench Salon." Prior to FIX Bench Salon (*i.e.*, March 2001), "Suyen manufactured, advertised, distributed and sold hair products and other hair styling

products ranging from hair refreshers, hair gels, styling gums, hair lotions, hair treatments, hair shampoos and hair conditioners under the 'FIX' trademark." **13** AGENT BOND, one of its styling gums, was placed on packaging materials with the FIX Trademark and has been marketed, advertised, distributed, and sold since March 8, 2005. AGENT BOND is only "a creative but non-descriptive way of making reference to the function of the product." **14** The word "agent" in AGENT BOND is used to convey to purchasers that the product is a device, while the word "bond" refers to the ability of the product's ingredients to hold or *bind* the hairstyle. **15**

In insisting that AGENT BOND is not confusingly similar to JAMES BOND, Suyen applied the dominancy and holistic tests. Under the dominancy test, the competing marks' common word — BOND — is not the dominant word for both marks. The words AGENT and JAMES were equally prominent in AGENT BOND and JAMES BOND, respectively. Neither will the terms be easily mistaken from one another. Suyen averred that the word BOND has been diluted — having been used in several trademarks in the Philippines such as ROYAT BOND, SURE-BOND, BOND STREET, G-BOND, CONTACT BOND, SPIDER BOND, GOLD BOND, STAR BOND, etc. **16**

Suyen added that Danjaq does not have exclusive rights to the word "bond." Danjaq has not established any right to the AGENT BOND mark and cannot over-extend the protection of its JAMES BOND trademark to include AGENT BOND. **17**

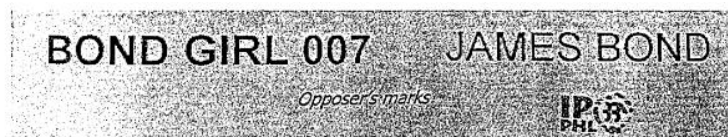
Reiterating its claim that AGENT BOND products include a prominent display of the BENCH and FIX trademarks, Suyen insisted that it is not using the AGENT BOND trademark in bad faith nor to create confusion with JAMES BOND. Suyen averred that it has never received any complaint or inquiry showing that the market for AGENT BOND has confused the same with the JAMES BOND trademark. **18**

In Danjaq's Position Paper, **19** Danjaq retorted that it is not actual confusion that is required to deny registration of a trademark but the *possibility* of confusion. The use of AGENT BOND causes confusion as to the origin — making it appear that Danjaq approved the use of AGENT BOND as a trademark. Because JAMES BOND is a well-known mark, any product bearing the JAMES BOND trademark or other related marks is highly marketable. **20**

Ruling of the Intellectual Property Office-Bureau of Legal Affairs

In its Decision **21** dated October 10, 2014, the BLA sustained Danjaq's opposition and denied Suyen's trademark application for AGENT BOND.

Below is a juxtaposition of the competing marks, as placed by the BLA:



22



23

The BLA ruled that since both marks contain the commonly used word "Bond," a closer look into the distinctive words AGENT and JAMES were made. Since the word AGENT is placed before the word BOND, the said mark gave an impression that it was connected to JAMES BOND — who is referred to as "Agent 007" or "Agent Bond." There can be a confusion of business if Suyen's trademark application for AGENT BOND was granted. A confusion of business occurs because AGENT BOND may be assumed to originate from Danjaq, causing the public to believe that the subject good is connected to that of Danjaq. As a result, the BLA found Suyen's AGENT BOND mark non-registrable under Section 123.1 (d) of the [Code](#). **24**

Aggrieved, Suyen appealed the BLA's decision with the ODG, insisting that any association between the competing marks does not lead to confusion or a likelihood of confusion. If an "[a]ssociation of marks for parody purposes without corresponding association of manufacturers does not tarnish or appropriate the goodwill of the manufacturer," **25** then a mere association with JAMES BOND cannot also be deemed an infringement. Otherwise, Danjaq would be over-extending the protection of the JAMES BOND trademark. **26**

In its Memorandum of Appeal, **27** Suyen included pictures **28** of its AGENT BOND products in different packages to prove that there is no confusion as to AGENT BOND's origin. Suyen alleged that it spent substantial amounts to extensively promote AGENT BOND as Suyen's products and also included Suyen's FIX or /Bench trademarks. Using various forms of media and engaging the services of celebrity endorsers, AGENT BOND became immediately identified as Suyen's product under its BENCH product line. **29**

Suyen pointed out that the BLA never ruled that JAMES BOND is a well-known mark, **30** contrary to the requirements for declaring a trademark as well-known under Section 123.1 (e) of the [Code](#) and *La Chemise Lacoste, S.A. v. Fernandez*. **31** This was vehemently denied by Danjaq in its Comment, **32** stating that JAMES BOND meets all the criteria **33** listed in Rule 102 of the [Trademark Rules and Regulations](#). **34**

According to Danjaq, JAMES BOND is entitled to protection against the unauthorized use of the fictional character's persona as part of Danjaq's right of publicity. Registration of AGENT BOND will dilute the distinctiveness of the JAMES BOND and BOND GIRL 007 trademarks **35** following this Court's definition of Trademark Dilution in *Levi Strauss & Co. v. Clinton Apparelle, Inc.* **36** — particularly that: (1) JAMES BOND is a well-known mark following Rule 102 of the [Rules and Regulations](#); (2) the use of AGENT BOND began after JAMES BOND became famous; and (3) the use of AGENT BOND will lead the public wondering "whether a particular 'James Bond-related' or 'James Bond-like' item of merchandise is from [Danjaq] or some other source." **37**

Ruling of the Intellectual Property Office-Office of the Director General

In a Decision **38** dated December 20, 2018, the ODG denied Suyen's appeal and focused its discussion on: (1) the similarity between the competing trademarks; and (2) AGENT BOND's tendency to deceive or cause confusion with JAMES BOND. Finding the competing trademarks confusingly similar with each other, the ODG opted out of discussing JAMES BOND's classification as a well-known mark. **39**

The ODG ruled that since Danjaq was able to prove prior use and registration of JAMES BOND, Suyen had the burden of evidence to show that it was not riding on JAMES BOND's goodwill. The ODG observed that Suyen never explained the reason for adopting AGENT BOND. Citing *Societe Des Produits Nestle, S.A. v. Court of Appeals*, **40** the ODG concluded that of the "'millions of terms and combinations of letters and designs available' for its use on its products," **41** Suyen's choice of using AGENT BOND, when it is so closely associated with JAMES BOND, shows that it intended to take advantage of JAMES BOND's goodwill. It thus leads the public to believe that AGENT BOND is Danjaq's products. **42**

Unfazed, Suyen elevated the matter to the CA seeking to have the BLA's and ODG's decisions reversed and prayed that the IPO be ordered to reprocess its trademark application for AGENT BOND. **43** Suyen accused the BLA and ODG of over-extending Danjaq's rights to JAMES BOND by lowering the standards of "confusing similarity" to one of "mere association." **44**

Suyen averred that it explained to the BLA and ODG the reason for using AGENT BOND — *i.e.*, a non-descriptive reference to the product's function as a hair styling gum. Therefore, as a suggestive mark, AGENT BOND is entitled to recognition as a trademark. Danjaq maintained AGENT BOND's non-registrability despite the absence of any technical infringement or unfair competition because AGENT BOND impliedly associates itself with JAMES BOND. **45**

Ruling of the Court of Appeals

In its Decision **46** dated September 2, 2019, the CA denied Suyen's petition and held that an administrative agency's factual findings are accorded great weight and respect. **47** Nevertheless, the appellate court discussed the two types of confusion **48** arising from the use of similar or colorable imitation marks and concluded that placing the word "Agent" before the word "Bond" impresses upon the public a connection between Suyen's product and the fictional character of James Bond — a form of confusion of business. **49**

The appellate court did not find AGENT BOND to be a suggestive mark because the combination of these words were not fancifully or arbitrarily crafted. Explaining a suggestive mark to be a word, picture, or other symbol that suggests the quality or nature of a product, the CA agreed with Danjaq that AGENT BOND does not describe a product that binds the hairstyle but refers to the fame of the James Bond franchise. The CA, thus, ruled on the popularity of the JAMES BOND trademark and declared it to be well-known. **50** Applying Rule 102 of the [Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers](#), **51** the CA held that JAMES BOND is a well-known trademark because of the following criteria:

- (a) extent and exclusivity of the worldwide registrations of the mark JAMES BOND;
- (b) length and extent of use of JAMES BOND worldwide;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the extent and promotion of the mark JAMES BOND; and
- (e) the commercial value attributed to the mark in the word. **52**

Considering the commercial value of the James Bond movies, the James Bond character transformed into a well-known trademark with goodwill of \$5 billion in sales of merchandise. **53**

Suyen filed its Motion for Reconsideration **54** challenging the appellate court's declaration of JAMES BOND as a well-known mark since it was not raised on appeal. Suyen insisted that the BLA, ODG, and CA misappreciated the facts presented and erroneously ruled that AGENT BOND and JAMES BOND are confusingly similar. **55**

In its Comment **56** to the Motion for Reconsideration, Danjaq emphasized the irrelevance of including other trademarks (*i.e.*, FIX and BENCH/) with the AGENT BOND mark because AGENT BOND will still remind purchasers of the world-renowned character, James Bond. **57**

The CA denied Suyen's Motion for Reconsideration in its Resolution **58** dated December 4, 2019. Thus, Suyen filed the instant Petition for Review on *Certiorari* under Rule 45 of the [Rules of Court](#).

Proceedings before this Court

Petitioner's Arguments

In the instant petition, Suyen repeats its earlier arguments. *First*, the BLA, ODG, and CA cannot over-extend Danjaq's rights simply because a mark includes the word "bond" or because it may be associated with JAMES BOND. *Second*, AGENT BOND is not a colorable imitation of James Bond, following Section 155 of the [Intellectual Property Code](#). *Third*, a mere reminder of JAMES BOND does not automatically confuse the purchaser as to the product's origin since the ordinary purchaser would be able to see obvious differences between the two marks. To prove its registrability, Suyen manifested that in 2005, the IPO allowed the registration of SECRET AGENT — a mark that may also be associated with JAMES BOND. **59**

Suyen also pointed out that AGENT BOND and JAMES BOND are used for different classes of products. Although Danjaq's BOND GIRL 007 is under the same classification as AGENT BOND (*i.e.*, class 3), the BOND GIRL 007 trademark was removed from the IPO's registry for non-filing of the required Declaration of Actual Use. **60**

Respondent's Comment

Danjaq sought the dismissal of the instant petition because the issues raised therein refer to factual matters that are beyond the ambit of a petition for review. Combining the words "agent" and "bond" implies a connection with the fictional character, James Bond. Danjaq arduously contends that AGENT BOND does not suggest a hair product and that the combination of these words leads the public to assume that AGENT BOND originates from Danjaq. **61**

Petitioner's Reply

In reply to Danjaq's Comment, Suyen asserted that its petition simply raised a question of law — *i.e.*: (1) whether the BLA, ODG, and CA can over-extend Danjaq's rights over JAMES BOND by denying trademark applications involving the word "bond"; and (2) whether the CA had the jurisdiction to declare a trademark as well-known even if such issue was not raised in the appeal to the CA. **62**

Ruling of the Court

The petition must fail. While We uphold the factual findings of the administrative agencies and the CA when it ruled on the non-registrability of AGENT BOND, a more elaborate disquisition must be made explaining why Suyen's application for registration of AGENT BOND was correctly denied. Along with this discussion is a clarification on the BLA, ODG, and CA's power to approve or deny trademark applications involving the word "bond" and the CA's authority to declare a trademark as well-known.

To be clear, Suyen's application for registration of the AGENT BOND mark is denied for violating Section 123.1, paragraphs (d) **and** (f) of the [Intellectual Property Code](#).

AGENT BOND is non-registrable because it nearly resembles the registered mark, JAMES BOND and is likely to deceive or cause confusion.

Section 123.1 (d) of the [Intellectual Property Code](#) states:

Section 123. Registrability. — 123.1. A mark cannot be registered if it:

xxx xxx xxx

(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:

- (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;

Following Section 123.1 (d) (iii), AGENT BOND was properly denied registration, specifically because AGENT BOND nearly resembles JAMES BOND as to be likely to deceive or cause confusion. This confusion can exist even if the products bearing the competing marks are dissimilar since item (iii) of the said section does not require that the competing marks belong to the same nor to closely related goods or services. The crux of the controversy under this section is ascertaining the existence of a *likelihood of confusion*.

Needless to say, the fact that Suyen has marketed its products carrying the AGENT BOND mark with the BENCH or FIX brand does not change the fact that using the combination of the words "agent" and "bond" in that particular order may lead the purchaser to believe that the product is related to JAMES BOND. Again, it is not actual confusion that is required in trademark infringement cases but only a likelihood of confusion.

The manner in determining the likelihood of confusion between two marks was set forth in Section 5, Rule 18 of the [2020 Revised Rules of Procedure for Intellectual Property Rights Cases](#), **63** which provides:

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;
- 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 buyers.

"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.

The abovementioned criteria, which Associate Justice Caguioa refers to as the multifactor test **64** in the recent *En Banc* case of *Kolin Electronics, Inc. v. Kolin Philippines International, Inc.*, **65** are present in this case.


It is undisputed that the popularity and name-recall of JAMES BOND and the James Bond Franchise have been around prior to Suyen's use of AGENT BOND in 2005. Suyen even admits this fact when it mentions the local and international parodies created imitating the James Bond character. Thus, the strength of Danjaq's mark is great both internationally and in the Philippines.

There is a large degree of similarity between JAMES BOND and AGENT BOND **not** because both words merely contain the word "bond." The Dominancy Test does not solely rely on the visual and aural aspects of the mark but also the *connotative comparisons* and *overall impressions* between them. **66** In other words, it is not the fact that a particular set of words was used but the *manner* in which they were utilized.

The terms "agent" and "bond" — when put together in that particular order — inevitably suggests a connection with James Bond as he was also known by his spy name, Agent 007.

Suyen's explanation for using the AGENT BOND mark leaves much to be desired. It claims that the word "Agent" in AGENT BOND refers to a device. In general terms, a device refers to a mechanism. There is no mechanism to speak of in a hair styling product. Conversely, the use of the word "Bond" to the hair presupposes that the hair should be bound to something other than itself. In fact, the registered trademarks containing the word "bond," as mentioned by Suyen (with the exception of Bond Street) all refer to adhesives.

TRADEMARK (registration number)	MARK	INTERNATIONAL CLASSIFICATION OF GOODS AND SERVICES	STATUS/ REMARKS
SECRET AGENT (4149)	SECRET AGENT	Cosmetics, namely, under makeup moisturizer, foundation, moisturizer, eye cream, body cream, body lotion and concealer.	Removed from Register for non-filing of 5th DAU (Declaration of Actual Use)
MIGHTY BOND 67 (501432)	MIGHTY BOND	Self-adhesives tapes for stationery or household purposes; gums [adhesives] for stationery or household purposes; gluten [glue] for stationery or household purposes; glue for stationery or household purposes; pastes for stationery or household purposes; adhesive tapes for	Registered

		stationery or household purposes; adhesive bands for stationery or household purposes; adhesives [glues] for stationery or household purposes; starch paste [adhesive] for stationery or household purposes, all included in Class 16	
ROYAT BOND AND DEVICE	<p>ROYAT BOND</p> 	Paper, cardboard; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; paint brushes; typewriters; plastic materials for packaging (not included in other classes); printers' type; printing blocks	Removed from register for non-filing of 5th DAU
SURE-BOND (14544)	SURE-BOND	Contact cement; adhesives and glues for industrial and commercial purposes	Registered
BOND STREET (507514)	BOND STREET	Tobacco, raw or manufactured; tobacco products; cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco, kretek; snus; tobacco substitutes (not for medical purposes); electronic cigarettes; tobacco products for the purpose of being heated; electronic devices and their parts for the purpose of heating cigarettes or	Registered

		tobacco in order to release nicotine-containing aerosol for inhalation; liquid nicotine solutions for use in electronic cigarettes; smokers' articles, cigarette paper, cigarette tubes, cigarette filters, tobacco tins, cigarette cases, ashtrays, pipes, pocket apparatus for rolling cigarettes, lighters, matches	
G-BOND (059962)	G-BOND	Contact cement	Renewed
CONTACT BOND (502506)	CONTACT BOND	Adhesives used in industry class 1	Registered
SPIDER BOND	SPIDER BOND	Industrial adhesives	Removed from register for non-filing of DAU
GOLD BOND (2840)	GOLD BOND	Tobacco, whether manufactured or unmanufactured; smoking tobacco; Pipe tobacco; hand rolling tobacco; chewing tobacco; cigarettes; cigars; cigarillos; snuff; snus; lighters; cigarette papers; cigarette tubes and matches	Removed from register for non-filing of DAU
STAR BOND (4694)	STAR BOND	Adhesives used in industry	For validation

Suyen's allegation that James Bond was never referred to as agent bond in any of the franchise's 22 films takes a narrow-minded approach to legal hermeneutics. This literal approach was never contemplated in cases of trademark infringement. By using the terms "*likelihood of confusion*," the law recognizes the reality that trademark infringement cases delve into a wide spectrum of instances where a mark *can* ride on the goodwill and reputation of a business or *might* lead the purchaser to assume a connection between the competing marks.

In the movies where James Bond is portrayed (whether these movies are part of the James Bond franchise or his character is used in a parody), James Bond was always depicted as a man with a calm, confident composure and a perfectly kempt appearance. The reason why James Bond is portrayed in parodies is *precisely* because of his overall appearance — including his straight, neatly combed, and well-styled hair. His styled, straight hair is "part of the package" — so much so that one look at the fictional character James Bond will inevitably lead one to notice his clean-cut hairdo. It cannot be gainsaid that AGENT BOND — a hair styling product used to "bind" straight hair — may lead the purchaser to relate AGENT BOND with the fictional secret spy agent, James Bond. In fact, Suyen does not deny this connection. Suyen simply insists that a mere association of AGENT BOND to JAMES BOND will not confuse the purchasers between the two marks. Such contention is an **admission** that the purchasers may think of an affiliation between AGENT BOND and JAMES BOND. As what Associate Justice Caguioa aptly states, the "[c]onceptual similarity is high and it is reasonable to conclude that both marks taken as a whole are connotative equivalences of each other." **68** The similarity caused by this particular play of words is too obvious to ignore.

The likelihood of confusion refers to two instances — a confusion of products or a confusion of business. "Confusion of business exists when the products are non-competing but related enough to produce confusion of affiliation." **69** It contemplates a situation where "[Suyen's] product is such as might reasonably be assumed to originate with [Danjaq], and the public would then be deceived either into that belief or into the belief that there is some connection between [Danjaq] and [Suyen] which, *in fact*, does not exist." **70** In *UFC Philippines, Inc. v. Barrio Fiesta Mfg. Corp.*, **71** We explained that allowing registration of a trademark that will cause a confusion of business will render the oppositor's hard-earned goodwill to be associated with a newer product introduced by the applicant. In that case, the word "PAPA" used by Barrio Fiesta Manufacturing Corporation in "PAPA KETSARAP" and "PAPA BOY & DEVICE" was found to be the marks' dominant feature since "KETSARAP" was merely descriptive of the product while PAPA was written on top the other words in the "PAPA BOY & DEVICE" mark. "PAPA" was ruled to be in commercial use for decades by petitioner and petitioner's successors-in-interest and has, thus, established goodwill among customers. **72**

Associate Justice Caguioa also points out another aspect to be considered in determining a trademark resemblance — *i.e.*, the type of mark used. AGENT BOND and JAMES BOND are similar with the type of mark used since they do not use special characteristics. Therefore, both the type of marks used and the Dominancy Test establish a resemblance between AGENT BOND and JAMES BOND.

It does not end here. As correctly noted by Associate Justice Caguioa, Suyen's AGENT BOND is non-registrable for violating Section 123.1 (f) of the [Intellectual Property Code](#).

The use of AGENT BOND suggests a connection with the well-known mark, JAMES BOND, to the damage of Danjaq.

Section 123.1 (f) of the [Intellectual Property Code](#) states:

SECTION 123. Registrability. — 123.1. A mark cannot be registered if it:

xxx xxx xxx

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided, further, That the interests of the owner of the registered mark are likely to be damaged by such use[.]

Associate Justice Caguioa appositely notes that the elements under Section 123.1 (f) are distinct from those under Section 123.1 (d) insofar as concept of damages are concerned. Under Section 123.1 (d), the damage is caused by a likelihood of confusion to the targeted buyers between the competing marks whereas damages under Section 123.1 (f) are those caused to the interests of the registered owner of a well-known mark.

Is JAMES BOND a well-known mark? Suyen assails the CA's authority to declare JAMES BOND as a well-known mark. Suyen also insists that JAMES BOND failed to establish that it is a well-known mark.

This Court uphold's the CA's declaration of JAMES BOND as a well-known mark on the basis of substantial evidence. Rule 101 (d) of the [Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers 73](#) (Rules and Regulations) enumerates the competent authorities that can declare a mark as well-known — namely (1) the courts, (2) the Director General, and (3) the director of the Bureau of Legal Affairs — so long as some of the criteria under Rule 103 of the [Rules and Regulations](#) are met, to wit:

RULE 103. Criteria for Determining Whether a Mark is Well-known. — In determining whether a mark is well-known, the following criteria or any combination thereof may be considered:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and

(l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that the mark is a well-known mark.

As what Associate Justice Caguioa underscores, "[w]hile the CA may have used different criteria, it is clear that its conclusion that the 'JAMES BOND' mark is well-known is amply supported by substantial evidence on record." **74** Particularly, the certificates of registration of the JAMES BOND and other related "Bond" marks in at least 32 countries, the fame of the James Bond movie franchise (as evinced in the webpage of the internet movie database "All-Time Non-USA Box Office"), **75** and Suyen's own admission of the popularity of the fictional character, James Bond, to the extent that parodies were created imitating his persona.

The other elements of Section 123.1 (f) have also been sufficiently established: (1) there is confusing similarity between the competing marks, (2) the use of AGENT BOND would indicate a connection between it and JAMES BOND [with both elements previously discussed], and (3) the use of AGENT BOND will likely damage Danjaq's interest over JAMES BOND.

Damages under Section 123.1 (f) is present when there is Trademark Dilution. In *Levi Strauss & Co.*, **76** this Court defined trademark dilution, viz.:

Trademark dilution is the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of: (1) competition between the owner of the famous mark and other parties; or (2) likelihood of confusion, mistake or deception. Subject to the principles of equity, the owner of a famous mark is entitled to an injunction "against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." This is intended to protect famous marks from subsequent uses that blur distinctiveness of the mark or tarnish or disparage it. **77**

As pointed out by Associate Justice Caguioa, our laws and jurisprudence have not yet elaborated on the two kinds of trademark dilution (*i.e.*, dilution by tarnishment and dilution by blurring) stated in *Levi Strauss & Co.* However, the same case cites American Jurisprudence, which referred to American Law distinguishing between the two, that is:

(B) For purposes of paragraph (1), "**dilution by blurring**" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

- (i) the degree of similarity between the mark or trade name and the famous mark.
- (ii) the degree of inherent or acquired distinctiveness of the famous mark.
- (iii) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) the degree of recognition of the famous mark.
- (v) whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a

famous mark that harms the reputation of the famous mark. **78** (Emphasis omitted)

Echoing Associate Justice Caguioa's discussion, the elements of dilution by blurring are present here:

- Factor (i) has already been established x x x involving the Dominancy Test to show resemblance of the marks
- Factors (ii) and (iv) are already satisfied by the CA's pronouncement that "JAMES BOND" is well-known
- Factor (v) is established by Suyen's admission that there is a mental connection created between "AGENT BOND" and the well-known "JAMES BOND" mark **79**

As a result of the abovementioned findings, it is clear that AGENT BOND is non-registrable under Section 123.1, paragraphs (d) and (f).

This Court recognizes and protects the goodwill painstakingly created by businesses. In *Ang v. Teodoro*, **80** this Court held:

The original owner is entitled to the preservation of the valuable link between him and the public that has been created by his ingenuity and the merit of his wares or services. Experience has demonstrated that when a well-known trade-mark is adopted by another even for a totally different class of goods, it is done to get the benefit of the reputation and advertisements of the originator of said mark, to convey to the public a false impression of some supposed connection between the manufacturer of the article sold under the original mark and the new articles being tendered to the public under the same or similar mark. As trade has developed and commercial changes have come about, the law of unfair competition has expanded to keep pace with the times and the element of strict competition in itself has ceased to be the determining factor. The owner of a trade-mark or trade-name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods. **81**

Thus, "[t]he objects of trademark are to point out distinctly the origin or ownership of the articles to which it is affixed, to secure him who has been instrumental in bringing into market a superior article or merchandise the fruit of his industry and skill" **82** and to allow the original owner of the mark to expand his/her/its business without the fear of a second user freely riding on the original owner's goodwill.

WHEREFORE, the instant Petition for Review on *Certiorari* is **DENIED**. The Decision dated September 2, 2019 and the Resolution dated December 4, 2019 of the Court of Appeals in CA-G.R. SP No. 159794 are hereby **AFFIRMED**.

SO ORDERED.

Gesmundo, C.J., Zalameda and Gaerlan, JJ., concur.

Caguioa, J., please see concurring opinion.

Separate Opinions

CAGUIOA, J., *concurring*:

This case concerns Suyen Corporation's (Suyen) trademark application filed on February 16, 2010 for "AGENT BOND" covering "hair refresher, hair gel, hair lotion, hair treatment, hair shampoo, and hair conditioner" under Class 3 of the Nice Classification. **1**

Danjaq LLC (Danjaq) filed an Opposition **2** against this application, alleging that it is the owner of all registered "JAMES BOND" marks and their associated marks (BOND marks). Opposer claimed that it first used the "JAMES BOND" mark in 1962 to market and produce various merchandise and films worldwide. **3** Allegedly, the character is referred to in popular culture simply as "AGENT BOND." **4** Presenting as evidence its several trademark registrations worldwide, **5** Danjaq claims that its BOND marks are well-known and deserve protection from copying or imitation **6** and that Suyen's application was made in bad faith to ride on the popularity of its marks. The information regarding Danjaq's Philippine registrations are included below:

Mark	JAMES BOND 7	BOND GIRL 007 8
Status	Registered	Removed for non-filing of the 5th DAU
Filing Date	August 19, 2003	November 14, 2007
Registration	October 22, 2007	January 12, 2009
Class/es	9, 41	3
Goods/Services	9: SCIENTIFIC, NAUTICAL, SURVEYING AND ELECTRICAL APPARATUS AND INSTRUMENTS (INCLUDING WIRELESS), PHOTOGRAPHIC, CINEMATOGRAPHIC, OPTICAL, WEIGHING, MEASURING, SIGNALLING, CHECKING (SUPERVISION), LIFE SAVING AND TEACHING APPARATUS AND INSTRUMENTS; COIN OR COUNTER-FREED APPARATUS; TALKING MACHINES CASH REGISTERS; CALCULATING MACHINES; FIRE-EXTINGUISHING APPARATUS.	FRAGRANCE, COSMETIC AND TOILETRY PRODUCTS, NAMELY, EAU DE TOILETTE, EAU DE PARFUM, BODY LOTION, BODY POWDER, SHOWER GEL, FRAGRANCED BODY SPRAY, LIQUID SOAP, FOAM BATH, LIP BALM, HAND CREAM, LIPSTICK.

	41: EDUCATION AND ENTERTAINMENT. (Emphasis and underscoring supplied)	
--	---	--

In its Answer, **9** Suyen claims that it has been doing business under its famous BENCH trademark, and one of its businesses is a beauty salon called "FIX Bench Salon." **10** Suyen claims that, prior to the opening of these salons, it had already been selling several hair products/styling products under the "FIX" trademark. **11** One of its products is a styling gum bearing the mark "AGENT BOND" since 2005, **12** and Suyen claims that it is "a fanciful coined name associated with styling gum x x x making reference to the function of the product." **13** Supposedly, the word "AGENT" is used to convey that the product is a device, while "BOND" relates to the function of the device, and certainly not to confuse the public as to the origin of the product. **14** Claiming that its "AGENT BOND" mark has earned its own goodwill and that it continues to exert efforts to promote this mark, **15** Suyen denies that it relied on the goodwill of Danjaq's marks and states that there has been no confusion. **16** Suyen argues in the main that the opposition should be denied because there is no likelihood of confusion between "AGENT BOND" and "JAMES BOND" **17** and Danjaq's BOND marks are not well-known. **18**

The Bureau of Legal Affairs (BLA) and the Office of the Director General (ODG) of the Intellectual Property Office (IPO) ruled against Suyen's application on the ground that there is likelihood of confusion, but did not explicitly rule on the well-known status of the "JAMES BOND" mark. On the other hand, the Court of Appeals (CA) affirmed the rulings of the BLA and ODG on the issue of likelihood of confusion and held that the "JAMES BOND" mark is considered as well-known based on the evidence presented by Danjaq. **19**

I concur with the *ponencia* that "AGENT BOND" should not be registered because this will create likelihood of confusion and that this will cause damage to the interests of the owner of the well-known "JAMES BOND" mark.

Danjaq filed the Opposition pursuant to Section 134 of the [Intellectual Property Code](#) (IP Code) and Republic Act No. 8293, **20** which allows any person to oppose the registration of a mark based on "damage," *viz.*:

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 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. (Sec. 8, R.A. No. 165a) (Emphasis supplied)

Some forms of "damage" may be found in Section 123.1 **21** of the [IP Code](#), which provides what marks may not be registered. As correctly held by the *ponencia*, there are two aspects of damage caused to Danjaq and these are described in Section 123.1, paragraphs (d) and (f) of the [IP Code](#).

I.

Damage based on Section 123.1 (d)

Section 123.1 (d) of the IP Code provides that if the registration of a mark causes likelihood of confusion, it should not be registered, viz.:

SECTION 123. *Registrability*. — 123.1. A mark cannot be registered if it:

xxx xxx xxx

(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:

- (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**[.] (Emphasis supplied)

In 2011, the Court laid down the criteria for determining the existence of likelihood of confusion in the *Rules of Procedure for Intellectual Property Rights Cases*, **22** viz.:

Rule 18

xxx xxx xxx

SEC. 4. *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 see 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;**
- 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 buyers.**

xxx xxx xxx (Italics in the original; emphasis supplied)

The provision was reproduced in the *2020 Revised Rules of Procedure for Intellectual Property Rights Cases*, **23** evincing the Court's intent to make this the standard method of determining likelihood of confusion.

In *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.* **24** (*Kolin Electronics*), the Court referred to these criteria as the multifactor test, viz.:

In its Petition, [Kolin Electronics Co., Inc. (KECI)] squarely raises the issue of likelihood of confusion, arguing that [Kolin Philippines International, Inc.'s (KPII)] trademark should not be registered based on, among others, Section 123.1(d) of the IP Code, which reads:

XXX XXX XXX

In determining likelihood of confusion — which can manifest in the form of "confusion of goods" and/or "confusion of business" — several factors may be taken into account, such as:

- 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;**
- 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 buyers.**

These criteria may be collectively referred to as the **multifactor test**. Out of these criteria, **there are two which are uniformly deemed significant under the Trademark Law and the IP Code: the resemblance of marks (the degree of similarity between the plaintiff's and the defendant's marks) and the relatedness of goods or services (the proximity of products or services)**. Nevertheless, the other factors also contribute to the finding of likelihood of confusion, as will be discussed. **25** (Emphasis and underscoring supplied)

The BLA, **26** ODG, **27** and CA **28** uniformly found that confusion is likely if "AGENT BOND" is allowed registration, despite the fact that the covered goods/services of the marks are unrelated, and the *ponencia* correctly affirms this consistent finding.

As can be inferred by the use of "and/or" in the enumeration of the criteria in the multifactor test, not all criteria are required to be present for there to be a finding of the existence of likelihood of confusion. Thus, while relatedness of goods and services is deemed significant under the law, as mentioned above, confusion may still happen even if the covered goods/services are not related.

Here, the *ponencia* discusses the strength of the "JAMES BOND" mark as one factor that contributes to the existence of likelihood of confusion. **29** The concept of strength of the mark was discussed in *Kolin Electronics*, viz.:

The factor on "strength of plaintiff's mark" pertains to the degree of distinctiveness of marks, which can be divided into five categories enumerated in decreasing order of strength below:

1) Coined or fanciful marks — invented words or signs that have no real meaning (e.g., Google, Kodak). These marks are the strongest and have the greatest chance of being registered.

2) Arbitrary marks — words that have a meaning but have no logical relation to a product (e.g., SUNNY as a mark covering mobile phones, APPLE in relation to computers/phones).

3) Suggestive marks — marks that hint at the nature, quality or attributes of the product, without describing these attributes (e.g., SUNNY for lamps, which would hint that the product will bring light to homes). If not considered as bordering on descriptive, this may be allowed.

4) Descriptive marks — describe the feature of the product such as quality, type, efficacy, use, shape, etc. The registration of descriptive marks is generally not allowed under the IP Code.

5) Generic marks — words or signs that name the species or object to which they apply (e.g., CHAIR in relation to chairs). They are not eligible for protection as marks under the IP Code. **30**

Danjaq's "JAMES BOND" is a coined or fanciful mark and, as aptly mentioned by the *ponencia*, this highly distinctive mark is popular and has name-recall. **31**

The *ponencia* also discusses the resemblance between "AGENT BOND" and "JAMES BOND." **32** As stated in *Kolin Electronics*, the Dominancy Test is the prevailing test used for determining resemblance of marks. **33** The Dominancy Test relies on the visual, aural, connotative comparisons and overall impressions between the marks. **34** Jurisprudence describes the same as follows:

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. **35**

Visually, "JAMES BOND" and "AGENT BOND" appear to contain two words and both marks commonly feature the word "BOND." The words appear to be of equal prominence/dominance and there is no peculiar stylization to emphasize either word in "JAMES BOND" or "AGENT BOND." When only a visual examination is made, it may be correct to state that "the mere use of a common word or element x x x is not sufficient to conclude confusing similarity," **36** as Suyen argues. In other words, the visual similarity between "AGENT BOND" and "JAMES BOND" is merely average. **However**, as mentioned, the Dominancy Test also relies on the aural comparison, connotative comparison, and overall impressions between the marks to form a conclusion on their resemblance.

Aurally, the marks rhyme or at least sound similar because when both marks are uttered, they end with the word "BOND." The degree of phonetic similarity is high.

In terms of meaning or connotation, it is not farfetched to suppose that the words "AGENT BOND" may be linked or confused by consumers with "JAMES BOND," the famous secret agent. Relevantly, the BLA found that "the connotation [that] the competing marks give is identical." **37** Conceptual similarity is high and it is reasonable to conclude that both marks taken as a whole are connotative equivalences of each other.

As explained in *Kolin Electronics*, another aspect to be considered when determining trademark resemblance is the type of mark used. **38** Notably, "AGENT BOND" and "JAMES BOND" are both similar in the sense that they are word marks which show no special characteristics.

Thus, based on the type of marks used and the Dominancy Test, "AGENT BOND" resembles the well-known "JAMES BOND" mark.

Apart from the factors on strength of the mark and trademark resemblance, Suyen's lack of good faith in adopting the mark may also point towards the existence of likelihood of confusion. Bad faith or fraud is intentionally making false claims to take advantage of another's goodwill thereby causing damage or prejudice to another. **39** As explained in *Zuneca Pharmaceutical v. Natrapharm, Inc.*, **40** "one can have a registration in bad faith only if he applied for the registration of the mark despite knowing that someone else has created, used, or registered that mark." **41** Here, the CA quoted with approval the ODG's finding of bad faith as follows:

In this instance, the Appellant has 'millions of terms and combinations of letters and designs available' for its use on its products. Why it insists on using AGENT BOND that resembles, is similar and is closely associated to JAMES BOND **betrays its intention to take advantage of the goodwill generated by [Danjaq's] mark.** x x x **42** (Emphasis supplied)

Lastly, the factor on the likelihood that the plaintiff will bridge the gap, *i.e.*, the factor on normal potential expansion of business, also finds application here. The discussion in *Sta. Ana v. Maliwat*, **43** which was cited by ODG in its decision, is instructive:

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 trade mark or tradename is likely to lead to a confusion of source, as where prospective purchasers would be misled into thinking that the complaining party has extended his business into the field** (see 148 ALR 56 et seq; 52 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). It is on this basis that the respondent Director of Patents adverted to the practice "among local tailors and haberdashers to branch out into articles of manufacture which have some direct relationship" x x x "to garments or attire to complete one's wardrobe." Mere dissimilarity of goods should not preclude relief where the junior user's goods are not too different or remote from any that the owner would be likely to make or sell: and in the present case, wearing apparel is not so far removed from shoes as to preclude relief, any more than the pancake flour is from syrup or sugar cream (*Aunt Jemima Mills Co. vs. Rigney & Co.*, LRA 1918 C 1039), or baking powder from baking soda (*Layton Pure Food Co. vs. Church & Co.*, 182 Fed. 35), or cosmetics and toilet goods from ladies' wearing apparel and costume jewelry (*Lady Esther Ltd. vs. Lady Esther Corset Shoppe*, 148 ALR 6). x x x **44** (Emphasis and underscoring supplied)

Based on the disquisition above, the factor on normal potential expansion of business looks into the plausibility that the complaining party's business may be expanded to include the goods/services covered by the other party.

In the case at bar, it is not farfetched to presuppose that Danjaq may venture into the business of selling the goods covered by "AGENT BOND" (namely, "hair refresher, hair gel, hair lotion, hair treatment, hair shampoo, and hair conditioner") because it has previously sold similar goods before and it had presumably submitted proof of this activity with the IPO.

It is well to note that Danjaq had previously used another mark **BOND GIRL 007** for similar goods, *i.e.*, "Fragrance, Cosmetic and

Toiletry Products, Namely, Eau De Toilette, Eau De Parfum, Body Lotion, Body Powder, Shower Gel, Fragranced Body Spray, Liquid Soap, Foam Bath, Lip Balm, Hand Cream,

BOND GIRL 007
Lipstick." Significantly, the mark was eventually removed from the register for non-filing of the 5th year Declaration of Actual Use (DAU). The fact that it was removed for non-filing of the 5th year DAU is significant because it suggests that Danjaq was able to submit a 3rd year DAU and the evidence of actual use of the mark was accepted by the IPO. A more detailed explanation is fitting.

IPOPHL Memorandum Circular No. 17-010, *Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers of 2017* **45** (*Rules and Regulations*) summarizes the periods when Declarations of Actual Use with evidence of actual use must be filed and the effect of non-filing of the same, viz.:

RULE 204. Period to File Declaration of Actual Use. — The Office will not require any proof of use in commerce upon filing of an application. All applicants or registrants **shall file a Declaration of Actual Use (DAU) of the mark with evidence to that effect** and upon payment of the prescribed fee on the following periods:

- (a) **Within three (3) years from the filing date of the application;**
- (b) Within one (1) year from the fifth anniversary of the registration;
- (c) Within one (1) year from date of renewal;
- (d) Within one (1) year from the fifth anniversary of each renewal;

otherwise, the application shall be refused registration or the registered mark shall be removed from the Register by the Director. (Italics in the original; emphasis and underscoring supplied)

From the above provision, it can easily be inferred that if Danjaq was not able to file **any** evidence of use of its mark, the mark would have been refused registration/removed from the register even before reaching the period when the 5th year DAU had to be filed based on the disputable presumption "[t]hat official duty has been regularly performed." **46**

In the absence of proof to the contrary, therefore, it should be presumed that Danjaq was able to present evidence of actual use of **BOND GIRL 007** in commerce for "Fragrance, Cosmetic and Toiletry Products, Namely, Eau De Toilette, Eau De Parfum, Body Lotion, Body Powder, Shower Gel, Fragranced Body Spray, Liquid Soap, Foam Bath, Lip Balm, Hand Cream, Lipstick" and this was accepted by the IPO. Put simply, Danjaq had sold goods which are similar to the goods covered by "AGENT BOND" and was able to submit proof to this effect.

The fact that Danjaq had actually sold similar goods **47** is corroborated by the Affidavit **48** of David Pope, the Chief Executive Officer of Danjaq, attached to the Opposition. The pertinent allegation reads:

[Danjaq] has actually sold products bearing the marks JAMES BOND and BOND GIRL 007 in the Philippines through its distributors and through various stores and media in the Philippines. Goods in International Class 3 under the BOND GIRL 007 mark were first sold in the Philippines in 2008 and are currently available in the Philippines for purchase under the mark, Attached as Annex "C" is documentary evidence of the BOND GIRL 007 mark as used in commerce in the Philippines. **49**

Indeed, Annex "C" of the Affidavit referred to is the Royalty Report Form **50** of Bond Girl for the period October 2008 to December 2008.

Because Danjaq had previously sold similar goods before, it is thus not farfetched to assume that the goods covered by "AGENT BOND" fall within the normal potential expansion of Danjaq's business.

In sum, several factors point to the existence of likelihood of confusion if "AGENT BOND" is registered, namely: the strength of the "JAMES BOND" mark, the resemblance between "AGENT BOND" and "JAMES BOND," Suyen's bad faith, and the fact that the goods covered by "AGENT BOND" fall within the normal potential expansion of business of Danjaq.

This likelihood of confusion is considered as a form of "damage" that will be caused to Danjaq, thus, "AGENT BOND" should be refused registration.

II.

Damage based on Section 123.1 (f)

Section 123.1 (f) provides that a mark cannot be registered if it likely causes "damage" to the interests of the owner of a registered well-known mark, viz.:

SECTION 123. *Registrability.* — 123.1. A mark cannot be registered if it:

xxx xxx xxx

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, **51** which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided further*, That the interests of the owner of the registered mark are likely to be damaged by such use;

xxx xxx xxx

A comparison of Section 123.1 (d) and (f) would reveal that they differ in terms of their elements.

Section 123.1 (d) states that an application should not be registered if it likely deceives or causes confusion with the opposer's mark. As mentioned, this necessitates the use of the Court's prescribed method to determine likelihood of confusion, the multifactor test, which entails the examination of several factors if they are available, namely: (1) the strength of plaintiff's mark; (2) the degree of similarity between the plaintiff's and the defendant's marks; (3) the proximity of the products or services; (4) the likelihood that the plaintiff will bridge the gap; (5) evidence of actual confusion; (6) the defendant's good faith in adopting the mark; (7) the quality of defendant's product or service; and/or (8) the sophistication of the buyers.

On the other hand, in order to justify the rejection of an application of a mark based on Section 123.1 (f), the opposer needs to show that:

- (1) the opposer's registered mark is considered by a competent authority of the Philippines to be well-known internationally and in the Philippines;
- (2) there is confusing similarity/trademark resemblance between the opposed mark and the well-known mark, or that the opposed mark is a translation of the well-known mark, notwithstanding that the opposed mark is being used for dissimilar goods/services;

- (3) the use of the opposed mark in relation to its goods or services would indicate a connection between the goods or services of the opposed mark and the owner of the registered well-known mark; and
- (4) that the use of the opposed mark will likely damage the interest of the owner of the well-known mark.

Section 123.1 (f) has fewer elements and is an **entirely distinct ground** for disallowing the registration of a mark. Where Section 123.1 (d) describes the "damage" based on likelihood of confusion, Section 123.1 (f) pertains to the "damage" caused to the interests of the owner of a registered well-known mark which may exist even without likelihood of confusion.

All the elements of Section 123.1 (f) as described above exist here.

(1) The opposer's registered mark is considered by a competent authority of the Philippines to be well-known internationally and in the Philippines

Suyen does not dispute that the "JAMES BOND" mark is registered. The fact of registration is also shown by the Philippine Trademark Database. **52**

Contrary to Suyen's argument, the CA has the power to declare a mark as well-known. In the *Rules and Regulations*, it is explicitly provided that courts have the power to declare marks as well-known, viz.:

RULE 101. Definitions. — Unless otherwise specified, the following terms shall have the meaning provided in this Rule:

xxx xxx xxx

(d) "*Competent authority*" for purposes of determining whether a mark is well-known, **means the courts**, the Director General and the Director of the Bureau of Legal Affairs.

xxx xxx xxx (Italics in the original; emphasis supplied)

The *Rules and Regulations* also provides the criteria used to determine whether a mark is well-known, viz.:

RULE 103. Criteria for Determining Whether a Mark is Well-known. — In determining whether a mark is well-known, the following criteria or any combination thereof may be considered:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;

- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and,
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that the mark is a well-known mark. (Emphasis and italics in the original)

In *Sehwani, Incorporated v. In-N-Out Burger, Inc.*, **53** the Court agreed with the finding that a mark is considered well-known because it satisfies criteria (a), (d), and (e) based on its worldwide registrations and advertisements, among others, viz.:

[BLA] Director Beltran-Abelardo found that:

"Arguing mainly that it is the owner of an internationally well-known mark, **complainant presented its United States trademark registrations, namely: United States Trademark Registration No. 1,514,689 for the mark 'IN-N-OUT Burger and Arrow Design' under class 25 dated November 29, 1988 for the shirts (Exhibit 'L'); United States Trademark Registration No. 1,528,456 for the mark 'IN-N-OUT Burger and Arrow Design' under Class 29, 30, 32 and 42 dated March 7, 1989 for milk and french-fried potatoes for consumption on or off the premises, for hamburger sandwiches, cheeseburger sandwiches, hot coffee and milkshakes for consumption on or off the premises, lemonade and softdrinks for consumption on and off the premises, restaurant services respectively (Exhibit 'M'); US Trademark Registration No. 1,101,638 for the mark 'IN-N-OUT' under Class No. 30 dated September 5, 1978 for cheeseburgers, hamburgers, hot coffee and milkshake for consumption on or off premises (Exhibit 'N'); US Trademark Registration No. 1,085,163 'IN-N-OUT' under Class 42 dated February 7, 1978 for Restaurant Services and carry-out restaurant services (Exhibit 'Q'). For its mark 'Double-Double' it submitted Certificates of Registration of said mark in several countries (Exhibits 'MM' and submarkings).**"

xxx xxx xxx

Moreover, complainant also cites our decision in Inter Partes Case No. 14-1998-00045 dated 12 September 2000, an opposition case involving the mark "IN-N-OUT" between IN-N-OUT Burger (herein complainant) and Nestor SJ Bonjales where we ruled:

"And last but not the leas[t], the herein Opposer was able to prove substantially that its mark 'IN-N-OUT Burger and Arrow Design' is an internationally well known mark as **evidenced by its trademark registrations around the world and its comprehensive advertisements therein.**"

The nub of complainant's reasoning is that the Intellectual Property Office as a competent authority had declared in previous inter partes case that "IN-N-OUT Burger and Arrow Design" is an internationally well[-]known mark.

In the aforementioned case, we are inclined to favor the declaration of the mark "IN-N-OUT" as an internationally well-known mark on the basis of **"registrations in various countries around the world and its comprehensive advertisements therein."**

The Ongpin Memorandum dated 25 October 1983 which was the basis for the decision in the previous inter partes case and which set the criteria for determining whether a mark is well known, takes into consideration the extent of registration of a mark. **Similarly, the implementing rules of Republic Act 8293, specifically Section (e) Rule 102 Criteria for determining whether a mark is well known, also takes into account the extent to which the mark has been registered in the world in determining whether a mark is well known.**

Likewise, as shown by the records of the instant case, Complainant submitted evidence consisting of articles about "IN-N-OUT Burger" appearing in magazines, newspapers and print-out of what appears to be printed representations of its internet website (www.innout.com) (Exhibits "CCC" to "QQQ"), as well as object evidence consisting of videotapes of famous celebrities mentioning IN-N-OUT burgers in the course of their interviews (Exhibits "EEEE" and "FFFF") showing a tremendous following among celebrities.

The quality image and reputation acquired by the complainant's IN-N-OUT mark is unmistakable. With this, complainant's mark have met other criteria set in the Implementing Rules of [Republic Act 8293](#), **namely, 'a' and 'd'** of Rule 102, to wit:

xxx xxx xxx

Hence, **on the basis of evidence presented consisting of worldwide registration of mark "IN-N-OUT" almost all of which were issued earlier than the respondent's date of filing of its application and the subsequent registration of the mark "IN-N-OUT" in this Office, as well as the advertisements therein by the complainant, this Office hereby affirms its earlier declaration that indeed, the mark "IN-N-OUT BURGER LOGO" is an interna[tiona]lly well-known mark.**

We find the foregoing findings and conclusions of Director Beltran-Abelardo fully substantiated by the evidence on record and in accord with law. 54 (Emphasis and underscoring supplied)

Here, based on criteria (a) to (e), the CA found that "JAMES BOND" is a well-known mark. **55** A review of the records shows that the CA's conclusion of the well-known status of the "JAMES BOND" mark is supported by substantial evidence.

Some of the evidence presented are copies of certificates of registration and information showing that Danjaq has registered the JAMES BOND mark and other BOND marks in at least 32 countries. **56** Moreover, the worldwide fame of James Bond films is also shown in the Internet Movie Database "All-Time Non-USA Box Office" webpage, **57** which lists the films with the largest box office take. Several James Bond films are included in the "All-Time Non-USA Box Office" list. At the very least, this shows that "JAMES BOND" is well-known for its "Entertainment" services under Class 41, a service covered in its Philippine registration. There is thus substantial evidence that "JAMES BOND" is well-known based on the following criteria:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

xxx xxx xxx

- (c) the degree of the inherent or acquired distinction of the mark;
(d) the quality-image or reputation acquired by the mark;
(e) the extent to which the mark has been registered in the world;

xxx xxx xxx

- (g) the extent to which the mark has been used in the world;

xxx xxx xxx

- (i) the commercial value attributed to the mark in the world[.] **58**

While the CA may have used different criteria, it is clear that its conclusion that the "JAMES BOND" mark is well-known is amply supported by substantial evidence on record.

Clearly, the first element of Section 123.1 (f) is satisfied.

(2) *There is confusing similarity/trademark resemblance between the opposed mark and the well-known mark, or that the opposed mark is a translation of the well-known mark, notwithstanding that the opposed mark is being used for dissimilar goods/services*

The second element requires confusing similarity/trademark resemblance between the marks OR that the opposed mark is a translation of the well-known mark.

"AGENT BOND" is not a translation of "JAMES BOND." The dictionary defines "translation" as "something that is translated, or the process of translating something, from one language to another." **59** Since they are both in the English language, they could not be considered as translations of each other.

However, as explained above, "AGENT BOND" and "JAMES BOND" resemble each other based on the Dominancy Test and the fact that both are word marks.

(3) *The use of the opposed mark in relation to its goods or services would indicate a connection between the goods or services of*

***the opposed mark and the owner
of the registered well-known mark***

The third element of Section 123.1 (f) involves the determination of whether the use of "AGENT BOND" for its covered goods indicates a connection between its covered goods and Danjaq, the owner of "JAMES BOND."

Notably, Suyen admits the similarity or association of "AGENT BOND" with "JAMES BOND." However, it argues that this should not be considered infringement, thus:

x x x Parodies are gimmicks that are appreciated and well-recognized internationally as humorous twists used to marke[t] products. x x x In cases of parody, American courts have concluded that intentional similarity is unavoidable considering that the keystone of parody is imitation. x x x

xxx xxx xxx

x x x This Honorable Court must admit that "AGENT BOND" is a fanciful and funny play with words that may suggest some reference to James Bond, but certainly does not lead to an intelligent purchaser to believe that it is the product being sold or marketed by the creators or producers of James Bond or James Bond movies. x x x **60**

Unlike in the United States, our laws and jurisprudence do not yet recognize parody as a viable defense against infringement. In any event, trademark infringement is not the main issue here, but the **damage** caused to the interests of the owner of the well-known mark.

What is relevant is that Suyen itself has admitted that this word play may suggest some reference to "JAMES BOND." It is a recognition that there is a connection created in the mind between "AGENT BOND" and the well-known "JAMES BOND" mark.

Under the circumstances, it is not difficult to imagine how Suyen's use of "AGENT BOND" in commerce may indicate among consumers a connection to Danjaq. As correctly ruled by the CA, "the fame of the James Bond franchise is what is being suggested when one hears the words 'AGENT BOND' and NOT what [Suyen] claims as something to bind the hairstyle." **61**

The third element of Section 123.1 (f) is thus satisfied because the use of "AGENT BOND" in commerce by Suyen for its goods will suggest a connection to Danjaq, the owner of the well-known "JAMES BOND" mark.

***(4) That the use of the opposed mark
will likely damage the interest of
the owner of the well-known mark***

The last element in Section 123.1 (f) concerns the damage caused to the interest of the owner of the registered well-known mark.

The concept of trademark dilution was discussed in [Levi Strauss & Co. v. Clinton Apparelle, Inc.](#) **62** ([Levi Strauss & Co.](#)) viz.:

Trademark dilution is the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of: (1) competition between the owner of the famous mark and other parties; or (2) likelihood of confusion, mistake or deception. Subject to the principles of equity, the owner of a famous mark is entitled to an injunction "against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." **This is intended to protect famous marks from subsequent**

uses that blur distinctiveness of the mark or tarnish or disparage it. 63 (Emphasis and underscoring supplied)

The discussion above suggests two kinds of dilution: blurring and tarnishment. Our laws and jurisprudence have not yet elaborated on these concepts, but in *Levi Strauss & Co.*, the Court made reference to American jurisprudence, which in turn cited the American law against dilution. 64

Using the American law framework on dilution as a guide, the elements of **dilution by tarnishment** and **dilution by blurring** are as follows:

xxx xxx xxx

(B) For purposes of paragraph (1), "**dilution by blurring**" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) **The degree of similarity between the mark or trade name and the famous mark.**

(ii) **The degree of inherent or acquired distinctiveness of the famous mark.**

(iii) **The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.**

(iv) **The degree of recognition of the famous mark.**

(v) **Whether the user of the mark or trade name intended to create an association with the famous mark.**

(vi) **Any actual association between the mark or trade name and the famous mark.**

(C) For purposes of paragraph (1), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark. 65 (Emphasis supplied)

The elements of "dilution by blurring" are present here:

- Factor (i) has already been established in the discussion above involving the Dominancy Test to show resemblance of the marks.
- Factors (ii) and (iv) are already satisfied by the CA's pronouncement that "JAMES BOND" is well-known.
- Factor (v) is established by Suyen's admission that there is a connection created in the mind between "AGENT BOND" and the well-known "JAMES BOND" mark.

Thus, if "AGENT BOND" is registered, Danjaq's interests over the well-known "JAMES BOND" mark may be damaged through **dilution by blurring**. In other words, Danjaq's interests will likely be damaged because the registration of "AGENT BOND" will impair the distinctiveness of the well-known "JAMES BOND" mark.

In light of the foregoing, I concur with the denial of Suyen's Petition for *Certiorari*.

Footnotes

1. *Rollo*, pp. 10-43.

2. Penned by Associate Justice Franchito N. Diamante with the concurrence of Associate Justices Eduardo B. Peralta, Jr. and Tita Marilyn B. Payoyo-Villordon; *id.* at 51-62.
3. *Id.* at 64-65.
4. *Id.* at 332-338.
5. *Id.* at 236-240.
6. *Id.* at 52.
7. *Id.*
8. *Id.* at 141-153.
9. *Id.* at 141-142.
10. *Id.* at 66-72.
11. *Id.* at 143.
12. *I.e.*, BCut, Inc. and Mother Unit Corporation.
13. *Rollo*, p. 144.
14. *Id.* at 146.
15. *Id.* at 145-146.
16. *Id.* at 148.
17. *Id.* at 149-150.
18. *Id.* at 150-152.
19. *Id.* at 219-233.
20. *Id.* at 226-227.
21. *Supra* note 5.
22. *Rollo*, p. 238.
23. *Id.* at 239.
24. *Id.* at 239-240.
25. *Id.* at 253.
26. *Id.* at 251-254.
27. *Id.* at 241-266.
28. *Id.* at 244.
29. *Id.* at 244-245.
30. *Id.* at 259-264.
31. 214 Phil. 332 (1984).
32. *Rollo*, pp. 275-284.
33. *Id.* at 275-283.
34. Now under [IPOPIL Memorandum Circular No. 17-010](#) entitled [Rules and Regulations on Trademarks, Service Marks, Trade Names, and Marked or Stamped Containers of 2017](#).

35. *Rollo*, pp. 282-283.
36. 507 Phil. 238 (2005).
37. *Id.* at 327.
38. *Supra* note 4.
39. *Rollo*, pp. 334-338.
40. 408 Phil. 307 (2001).
41. *Rollo*, p. 337.
42. *Id.*
43. *Id.* at 361.
44. *Id.* at 360-361.
45. *Id.* at 352-353, 356-360.
46. *Supra* note 2.
47. *Rollo*, pp. 57, 61-62.
48. *I.e.*, Confusion of Goods and Confusion of Business.
49. *Rollo*, pp. 54-60.
50. *Id.* at 60-61.
51. [IPOP HL Memorandum Circular No. 17-010](#).
52. *Rollo*, p. 61.
53. *Id.*
54. *Id.* at 396-404.
55. *Id.* at 400-404.
56. *Id.* at 408-411.
57. *Id.* at 409-411.
58. *Supra* note 3.
59. *Rollo*, pp. 24-32.
60. *Id.* at 32-36.
61. *Id.* at 419-424.
62. *Id.* at 433-435.
63. [A.M. No 10-3-10-SC](#) dated October 6, 2020. This was reproduced from the [2011 Rules of Procedure for Intellectual Property Rights Cases](#) under the same administrative circular dated October 18, 2011.
64. This is different from the multi-factor or economic test mentioned by this Court in cases determining the presence of employer-employee relationship. [Maricalum Mining Corp. v. Florentino](#), 836 Phil. 655 (2018); [Dumpit-Murillo v. Court of Appeals](#), 551 Phil. 725 (2007). This multifactor test should also be differentiated from the multifactor balancing test referred to in criminal and constitutional law. See [Lejano v. People](#), 652 Phil. 512 (2010), citing [Allado v. Diokno](#), 302 Phil. 213 (1994).

65. G.R. No. 228165, February 9, 2021.
66. *Societe Des Produits Nestle, S.A. v. Court of Appeals*, 408 Phil. 307, 324 (2001).
67. Other two registered trademarks — *i.e.*, Mighty Bond and Mighty Bond Sakto — are under the same applicant, Pioneer Adhesives, Inc.
68. See Associate Justice Alfredo Benjamin S. Caguioa's Reflections, p. 13.
69. *McDonald's Corp. v. L.C. Big Mak Burger, Inc.*, 480 Phil. 402, 429-430 (2004).
70. *Id.* at 428, citing *Sterling Products International, Incorporated v. Farbenfabriken Bayer Aktiengesellschaft*, 137 Phil. 838, 852 (1969).
71. 778 Phil. 763 (2016).
72. *Id.*
73. IPO Memorandum Circular No. 17-010.
74. See Associate Justice Alfredo Benjamin S. Caguioa's Reflections, p. 13.
75. *Id.* at 11.
76. *Supra* note 36.
77. *Id.* at 254-255.
78. See Associate Justice Alfredo Benjamin S. Caguioa's Reflections at 15-16.
79. *Id.* at 16.
80. 74 Phil. 50 (1942).
81. *Id.* at 55.
82. *Etepha, A.G. v. Dir. of Patents*, 123 Phil. 329, 332-333 (1966).

CAGUIOA, J., concurring:

1. See *ponencia*, p. 2; *rollo*, p. 52.
2. *Rollo*, pp. 66-72.
3. *Id.* at 67.
4. *Id.* at 68.
5. See Annex "A" including Certified True Copies of trademark registration certificates in Great Britain, European Union Intellectual Property Office, Japan, Taiwan, and South Korea, *id.* at 89-105 and Annexes "B" and "C," *id.* at 110-140.
6. *Rollo*, p. 67.
7. 4/2003/7592 — JAMES BOND entry in Global Brand Database, World Intellectual Property Office, accessed at <<https://www3.wipo.int/branddb/ph/en/showData.jsp?ID=PHTM.42003007592>>.
8. 4/2007/12634 — BOND GIRL 007 entry in Global Brand Database, World Intellectual Property Office, accessed at <<https://www3.wipo.int/branddb/ph/en/showData.jsp?ID=PHTM.42007012634>>.
9. *Rollo*, pp. 141-156.
10. *Id.* at 144.

11. *Id.* at 144-145.

12. *Id.* at 145.

13. *Id.* at 146.

14. *Id.*

15. *Id.* at 145-146.

16. See *id.* at 146.

17. *Id.* at 147-150.

18. *Id.* at 151-152.

19. See *ponencia*, pp. 6-7.

20. AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES, approved on June 6, 1997.

21. SECTION 123. *Registrability.* — 123.1. A mark cannot be registered if it:

(a) Consists of immoral, deceptive or scandalous matter, or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;

(b) Consists of the flag or coat of arms or other insignia of the Philippines or any of its political subdivisions, or of any foreign nation, or any simulation thereof;

(c) Consists of a name, portrait or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the Philippines, during the life of his widow, if any, except by written consent of the widow;

(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:

(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;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided further*,

That the interests of the owner of the registered mark are likely to be damaged by such use;

(g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

(i) Consists exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in *bona fide* and established trade practice;

(j) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;

(k) Consists of shapes that may be necessitated by technical factors or by the nature of the goods themselves or factors that affect their intrinsic value;

(l) Consists of color alone, unless defined by a given form; or

(m) Is contrary to public order or morality.

22. [A.M. No. 10-3-10-SC](#), October 18, 2011.

23. [A.M. No. 10-3-10-SC](#), October 6, 2020. Rule 18, Sec. 5 states:

Rule 18

xxx xxx xxx

SEC. 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;

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 buyers.

"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. (*Italics in the original.*
Emphasis supplied)

24. G.R. No. 228165, February 9, 2021.
25. *Id.* at 18-20. Citations omitted.
26. See *rollo*, pp. 239-240.
27. *Id.* at 337-338.
28. *Id.* at 56-57.
29. See *ponencia*, pp. 10-13.
30. *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 24, at 32-33. Citations omitted.
31. *Ponencia*, p. 14.
32. *Id.*
33. *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 24, at 23.
34. See *Societe Des Produits Nestlé, S.A. v. Court of Appeals*, G.R. No. 112012, April 4, 2001, 356 SCRA 207, 221, which states that: "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.**" Citations omitted. Emphasis supplied.
35. See *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 24, at 21.
36. *Rollo*, p. 28. Emphasis omitted.
37. *Id.* at 240.
38. *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 24, at 23-24.
39. *Zuneca Pharmaceutical v. Natrapharm, Inc.*, G.R. No. 211850, September 8, 2020, p. 29.
40. *Id.*
41. *Id.* at 32.
42. *Rollo*, p. 59.
43. No. L-23023, August 31, 1968, 24 SCRA 1018.
44. *Id.* at 1025-1026.

45. TRADEMARK REGULATIONS OF 2017, approved on July 7, 2017.
46. 2019 AMENDMENTS TO THE 1989 REVISED RULES ON EVIDENCE, A.M. No. 19-08-15-SC, Rule 131, Sec. 3 (m).
47. That is, "Fragrance, Cosmetic and Toiletry Products, Namely, Eau De Toilette, Eau De Parfum, Body Lotion, Body Powder, Shower Gel, Fragranced Body Spray, Liquid Soap, Foam Bath, Lip Balm, Hand Cream, Lipstick" covered by .
48. *Rollo*, pp. 106-109.
49. *Id.* at 109.
50. *Id.* at 105.
51. IP Code, Section 123. *Registrability*. — 123.1. A mark cannot be registered if it:
- xxx xxx xxx
- (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[.] (Emphasis supplied)
52. *Supra* note 7.
53. G.R. No. 171053, October 15, 2007, 536 SCRA 225.
54. *Id.* at 238-240.
55. *Ponencia*, pp. 14-15. For ease of reference, the criteria are:
- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- xxx xxx xxx (IPOPHEL Memorandum Circular No. 17-010, Rule 103.)
56. See *rollo*, pp. 90-103.
57. *Id.* at 121-130.
58. See [IPOPHEL Memorandum Circular No. 17-010](#), Rule 103.
59. <<https://dictionary.cambridge.org/us/dictionary/english/translation>>.
60. *Rollo*, pp. 36-37.
61. *Id.* at 60.

62. G.R. No. 138900, September 20, 2005, 470 SCRA 236.

63. *Id.* at 255. Citations omitted.

64. *Id.*, citing *Toys "R" Us v. Akkaoui*, 40 U.S. P.Q. 2d (BNA) 1836 (N.D. Cal. 1996). A reading of the case shows that its basis on its ruling on dilution is American law prohibiting dilution:

Subject to the principles of equity, the owner of a famous mark is entitled to an injunction "against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." 15 U.S.C. § 1125 (c) (1).

65. 15 U.S. Code § 1125.