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these workers are no longer connected with San Miguel Corporation in any manner because Magnolia has ceased to be a division of San Miguel Corporation and has been formed into a separate corporation with a personality of its own (p. 305, *Rollo*). This development, which was brought to our attention by private respondents, necessarily renders moot and academic any further discourse on the propriety of the elections which petitioners impugn via the present recourse (p. 319, *Rollo*).

WHEREFORE, the petition is dismissed for lack of merit and the decision of respondent Undersecretary of Labor and Employment Bienvenido B. Laguesma is *AFFIRMED in toto.*

SO ORDERED.

Feliciano, Bidin, Davide, Jr., and *Romero, JJ.,* concur.

Gutierrez, Jr., J., on terminal leave.

THIRD DIVISION

[G.R. No. 101897. March 5, 1993]

LYCEUM OF THE PHILIPPINES, INC., *petitioner, vs.* **COURT OF APPEALS, LYCEUM OF APARRI, LYCEUM OF CABAGAN, LYCEUM OF CAMALANIUGAN, INC., LYCEUM OF LALLO, INC., LYCEUM OF TUAO, INC., BUHI LYCEUM, CENTRAL LYCEUM OF CATANDUANES, LYCEUM OF SOUTHERN PHILIPPINES, LYCEUM OF EASTERN MINDANAO, INC. and WESTERN PANGASINAN LYCEUM, INC.,** *respondents.*

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SYLLABUS

1. COMMERCIAL LAW; CORPORATION LAW; CORPORATE NAMES; REGISTRATION OF PROPOSED NAME WHICH IS IDENTICAL OR CONFUSINGLY SIMILAR TO THAT OF ANY EXISTING CORPORATION, PROHIBITED; CONFUSION AND DECEPTION EFFECTIVELY PRECLUDED BY THE APPENDING OF GEOGRAPHIC NAMES TO THE WORD "LYCEUM". — The Articles of Incorporation of a corporation must, among other things, set out the name of the corporation. Section 18 of the Corporation Code establishes a restrictive rule insofar as corporate names are concerned: "Section 18. *Corporate name.* — No corporate name may be allowed by the Securities and Exchange Commission if the proposed name is *identical or deceptively* or *confusingly similar to that of any existing corporation* or to any *other name already protected by law* or is *patently deceptive, confusing or contrary to existing laws*. When a change in the corporate name is approved, the Commission shall issue an amended certificate of incorporation under the amended name." The policy underlying the prohibition in Section 18 against the registration of a corporate name which is "identical or deceptively or confusingly similar" to that of any existing corporation or which is "patently deceptive" or "patently confusing" or "contrary to existing laws," is the avoidance of fraud upon the public which would have occasion to deal with the entity concerned, the evasion of legal obligations and duties, and the reduction of difficulties of administration and supervision over corporations. We do not consider that the corporate names of private respondent institutions are "identical with, or deceptively or confusingly similar" to that of the petitioner institution. True enough, the corporate names of private respondent entities all carry the word "Lyceum" but confusion and deception are effectively precluded by the appending of geographic names to the word "Lyceum." Thus, we do not believe that the "Lyceum of Aparri" can be mistaken by the general public for the Lyceum of the Philippines, or that the "Lyceum of Camalaniugan" would be confused with the Lyceum of the Philippines.

2. ID.; ID.; ID.; DOCTRINE OF SECONDARY MEANING; USE OF WORD "LYCEUM," NOT ATTENDED WITH EXCLUSIVITY. — It is claimed, however, by petitioner that

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the word "Lyceum" has acquired a secondary meaning in relation to petitioner with the result that word, although originally a generic, has become appropriable by petitioner to the exclusion of other institutions like private respondents herein. The doctrine of secondary meaning originated in the field of trademark law. Its application has, however, been extended to corporate names since the right to use a corporate name to the exclusion of others is based upon the same principle which underlies the right to use a particular trademark or tradename. In *Philippine Nut Industry, Inc. v. Standard Brands, Inc.*, the doctrine of secondary meaning was elaborated in the following terms: "x x x a word or phrase originally incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been *used so long and so exclusively by one producer* with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase has come to mean that the article was his product." The question which arises, therefore, is whether or not the use by petitioner of "Lyceum" in its corporate name has been *for such length of time* and *with such exclusivity* as to have become associated or identified with the petitioner institution in the mind of the general public (or at least that portion of the general public which has to do with schools). The Court of Appeals recognized this issue and answered it in the negative: "Under the doctrine of secondary meaning, a word or phrase originally incapable of exclusive appropriation with reference to an article in the market, because geographical or otherwise descriptive might nevertheless *have been used so long and so exclusively* by one producer with reference to this article that, in that trade and to that group of the purchasing public, the word or phrase has come to mean that the article was his produce. This circumstance has been referred to as the distinctiveness into which the name or phrase has evolved through the substantial and exclusive use of the same for a considerable period of time. x x x *No evidence was ever presented in the hearing before the Commission which sufficiently proved that the word 'Lyceum' has indeed acquired secondary meaning in favor of the appellant. If there was any of this kind, the same tend to prove only that the appellant had been using the disputed word for a long period of time.* x x x In other words, while the appellant may have proved that it had been using the word 'Lyceum' for a long period of

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time, this fact alone did not amount to mean that the said word had acquired secondary meaning in its favor because the *appellant failed to prove that it had been using the same word all by itself to the exclusion of others. More so, there was no evidence presented to prove that confusion will surely arise if the same word were to be used by other educational institutions*. Consequently, the allegations of the appellant in its first two assigned errors must necessarily fail." We agree with the Court of Appeals. The number alone of the private respondents in the case at bar suggests strongly that petitioner's use of the word "Lyceum" has not been attended with the exclusivity essential for applicability of the doctrine of secondary meaning. Petitioner's use of the word "Lyceum" was not exclusive but was in truth shared with the Western Pangasinan Lyceum and a little later with other private respondent institutions which registered with the SEC using "Lyceum" as part of their corporation names. There may well be other schools using Lyceum or Liceo in their names, but not registered with the SEC because they have not adopted the corporate form of organization.

3. **ID.; ID.; ID.; MUST BE EVALUATED IN THEIR ENTIRETY TO DETERMINE WHETHER THEY ARE CONFUSINGLY OR DECEPTIVELY SIMILAR TO ANOTHER CORPORATE ENTITY'S NAME. —** Petitioner institution is not entitled to a legally enforceable exclusive right to use the word "Lyceum" in its corporate name and that other institutions may use "Lyceum" as part of their corporate names. To determine whether a given corporate name is "identical" or "confusingly or deceptively similar" with another entity's corporate name, it is not enough to ascertain the presence of "Lyceum" or "Liceo" in both names. One must evaluate corporate names in their entirety and when the name of petitioner is juxtaposed with the names of private respondents, they are not reasonably regarded as "identical" or "confusingly or deceptively similar" with each other.

APPEARANCES OF COUNSEL

Quisumbing, Torres & Evangelista Law Offices and Ambrosio Padilla for petitioner.

Antonio M. Nuyles and Purungan, Chato, Chato, Tarriela & Tan Law Offices for respondents.

Froilan Siobal for Western Pangasinan Lyceum.

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D E C I S I O N

FELICIANO, *J.*:

Petitioner is an educational institution duly registered with the Securities and Exchange Commission ("SEC"). When it first registered with the SEC on 21 September 1950, it used the corporate name Lyceum of the Philippines, Inc. and has used that name ever since.

On 24 February 1984, petitioner instituted proceedings before the SEC to compel the private respondents, which are also educational institutions, to delete the word "Lyceum" from their corporate names and permanently to enjoin them from using "Lyceum" as part of their respective names.

Some of the private respondents actively participated in the proceedings before the SEC. These are the following, the dates of their original SEC registration being set out below opposite their respective names:

Western Pangasinan Lyceum	— 27 October 1950
Lyceum of Cabagan	— 31 October 1962
Lyceum of Lallo, Inc.	— 26 March 1972
Lyceum of Aparri	— 28 March 1972
Lyceum of Tuao, Inc.	— 28 March 1972
Lyceum of Camalaniugan	— 28 March 1972

The following private respondents were declared in default for failure to file an answer despite service of summons:

Buhi Lyceum;
Central Lyceum of Catanduanes;
Lyceum of Eastern Mindanao, Inc.; and
Lyceum of Southern Philippines

Petitioner's original complaint before the SEC had included three (3) other entities:

1. The Lyceum of Malacanay;
2. The Lyceum of Marbel; and
3. The Lyceum of Araullo

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The complaint was later withdrawn insofar as concerned the Lyceum of Malacanay and the Lyceum of Marbel, for failure to serve summons upon these two (2) entities. The case against the Lyceum of Araullo was dismissed when that school *motu proprio* change its corporate name to "*Pamantasan ng Araullo*."

The background of the case at bar needs some recounting. Petitioner had sometime before commenced in the SEC a proceeding (SEC-Case No. 1241) against the Lyceum of Baguio, Inc. to require it to change its corporate name and to adopt another name not "similar [to] or identical" with that of petitioner. In an Order dated 20 April 1977, Associate Commissioner Julio Sulit held that the corporate name of petitioner and that of the Lyceum of Baguio, Inc. were substantially identical because of the presence of a "dominant" word, *i.e.*, "Lyceum," the name of the geographical location of the campus being the only word which distinguished one from the other corporate name. The SEC also noted that petitioner had registered as a corporation ahead of the Lyceum of Baguio, Inc. in point of time,[1] and ordered the latter to change its name to another name "not similar or identical [with]" the names of previously registered entities.

The Lyceum of Baguio, Inc. assailed the Order of the SEC before the Supreme Court in a case docketed as G.R. No. L-46595. In a Minute Resolution dated 14 September 1977, the Court denied the Petition for Review for lack of merit. Entry of judgment in that case was made on 21 October 1977.[2]

Armed with the Resolution of this Court in G.R. No. L-46595, petitioner then wrote all the educational institutions it could find using the word "Lyceum" as part of their corporate name, and advised them to discontinue such use of "Lyceum." When, with the passage of time, it became clear that this recourse had failed, petitioner instituted before the SEC SEC-Case No. 2579 to enforce what petitioner claims as its proprietary right to the word "Lyceum." The SEC hearing officer rendered a decision

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[1] *Rollo*, pp. 54-61.

[2] *Id.*, pp. 62-63.

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sustaining petitioner's claim to an exclusive right to use the word "Lyceum." The hearing officer relied upon the SEC ruling in the Lyceum of Baguio, Inc. case (SEC-Case No. 1241) and held that the word "Lyceum" was capable of appropriation and that petitioner had acquired an enforceable exclusive right to the use of that word.

On appeal, however, by private respondents to the SEC *En Banc*, the decision of the hearing officer was reversed and set aside. The SEC *En Banc* did not consider the word "Lyceum" to have become so identified with petitioner as to render use thereof by other institutions as productive of confusion about the identity of the schools concerned in the mind of the general public. Unlike its hearing officer, the SEC *En Banc* held that the attaching of geographical names to the word "Lyceum" served sufficiently to distinguish the schools from one another, especially in view of the fact that the campuses of petitioner and those of the private respondents were physically quite remote from each other.[3]

Petitioner then went on appeal to the Court of Appeals. In its Decision dated 28 June 1991, however, the Court of Appeals affirmed the questioned Orders of the SEC *En Banc*.[4] Petitioner filed a motion for reconsideration, without success.

Before this Court, petitioner asserts that the Court of Appeals committed the following errors:

1. The Court of Appeals erred in holding that the Resolution of the Supreme Court in G.R. No. L-46595 did not constitute *stare decisis* as to apply to this case and in not holding that said Resolution bound subsequent determinations on the right to exclusive use of the word Lyceum.

2. The Court of Appeals erred in holding that respondent Western Pangasinan Lyceum, Inc. was incorporated earlier than petitioner.

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[3] Records, pp. 6-8, 10-16.

[4] *Rollo*, pp. 42-51.

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3. The Court of Appeals erred in holding that the word Lyceum has not acquired a secondary meaning in favor of petitioner.

4. The Court of Appeals erred in holding that Lyceum as a generic word cannot be appropriated by the petitioner to the exclusion of others.[5]

We will consider all the foregoing ascribed errors, though not necessarily *seriatim*. We begin by noting that the Resolution of the Court in G.R. No. L-46595 does not, of course, constitute *res adjudicata* in respect of the case at bar, since there is no identity of parties. Neither is *stare decisis* pertinent, if only because the SEC *En Banc* itself has re-examined Associate Commissioner Sulit's ruling in the Lyceum of Baguio case. The Minute Resolution of the Court in G.R. No. L-46595 was not a reasoned adoption of the Sulit ruling.

The Articles of Incorporation of a corporation must, among other things, set out the name of the corporation.[6] Section 18 of the Corporation Code establishes a restrictive rule insofar as corporate names are concerned:

"Section 18. *Corporate name.* — No corporate name may be allowed by the Securities an Exchange Commission if the proposed name is *identical or deceptively* or *confusingly similar to that of any existing corporation* or to *any other name already protected by law* or is *patently deceptive, confusing* or *contrary to existing laws*. When a change in the corporate name is approved, the Commission shall issue an amended certificate of incorporation under the amended name." (Italics supplied)

The policy underlying the prohibition in Section 18 against the registration of a corporate name which is "identical or deceptively or confusingly similar" to that of any existing corporation or which is "patently deceptive" or "patently confusing" or "contrary to existing laws," is the avoidance of fraud upon the public which would have occasion to deal with the entity concerned, the evasion of legal obligations and duties, and the reduction

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[5] Petition for Review, p. 8; *Rollo*, p. 16.

[6] Section 14, Corporation Code.

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of difficulties of administration and supervision over corporations.[7]

We do not consider that the corporate names of private respondent institutions are "identical with, or deceptively or confusingly similar" to that of the petitioner institution. True enough, the corporate names of private respondent entities all carry the word "Lyceum" but confusion and deception are effectively precluded by the appending of geographic names to the word "Lyceum." Thus, we do not believe that the "Lyceum of Aparri" can be mistaken by the general public for the Lyceum of the Philippines, or that the "Lyceum of Camalaniugan" would be confused with the Lyceum of the Philippines.

Etymologically, the word "Lyceum" is the Latin word for the Greek *lykeion* which in turn referred to a locality on the river Ilissius in ancient Athens "comprising an enclosure dedicated to Apollo and adorned with fountains and buildings erected by Pisistratus, Pericles and Lycurgus frequented by the youth for exercise and by the philosopher Aristotle and his followers for teaching."[8] In time, the word "Lyceum" became associated with schools and other institutions providing public lectures and concerts and public discussions. Thus today, the word "Lyceum" generally refers to a school or an institution of learning. While the Latin word "lyceum" has been incorporated into the English language, the word is also found in Spanish (*liceo*) and in French (*lycee*). As the Court of Appeals noted in its Decision, Roman Catholic schools frequently use the term; *e.g.*, "Liceo de Manila," "Liceo de Baleno" (in Baleno, Masbate), "Liceo de Masbate," "Liceo de Albay."[9] "Lyceum" is in fact as generic

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[7] *Red Line Transportation Co. v. Rural Transit Co.*, 60 Phil. 549 (1934). See also *Universal Mills Corp. v. Universal Textile Mills, Inc.*, 78 SCRA 62 (1977); and *Philippine First Insurance Co., Inc. v. Hartigan*, 34 SCRA 252 (1970).

[8] Webster's *Geographical Dictionary*, p. 643 (1949).

[9] Decision, Court of Appeals, *Rollo*, p. 46. In the preceding century, "*Liceo*" was also used to designate an association devoted to the promotion of the arts and literature; as in the "*Liceo Artistico Literario de Manila*." (see L.M. Guerrero, "*The First Filipino: A Biography of Jose Rizal*" 73 [1969]).

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in character as the word "university." In the name of the petitioner, "Lyceum" appears to be a substitute for "university"; in other places, however, "Lyceum," or "*Liceo*" or "*Lycee*" frequently denotes a secondary school or a college. It may be (though this is a question of fact which we need not resolve) that the use of the word "Lyceum" may not yet be as widespread as the use of "university," but it is clear that a not inconsiderable number of educational institutions have adopted "Lyceum" or "*Liceo*" as part of their corporate names. Since "Lyceum" or "*Liceo*" denotes a school or institution of learning, it is not unnatural to use this word to designate an entity which is organized and operating as an educational institution.

It is claimed, however, by petitioner that the word "Lyceum" has acquired a secondary meaning in relation to petitioner with the result that that word, although originally a generic, has become appropriable by petitioner to the exclusion of other institutions like private respondents herein.

The doctrine of secondary meaning originated in the field of trademark law. Its application has, however, been extended to corporate names since the right to use a corporate name to the exclusion of others is based upon the same principle which underlies the right to use a particular trademark or tradename.[10] In *Philippine Nut Industry, Inc. v. Standard Brands, Inc.*,[11] the doctrine of secondary meaning was elaborated in the following terms:

"x x x a word or phrase originally incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been *used so long and so exclusively by one producer* with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase has come to mean that the article was his product."[12]

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[10] 6 Fletcher, *Cyclopedia of Corporations*, Section 2423 (Permanent ed., 1968); *Burnside Veneer Co. v. New Burnside Veneer Co.*, 247 S.W. 2d. 524 (1952); *Economy Food Products Co. v. Economy Grocery Stores Corp*., 183 N.E. 49 (1932).

[11] 65 SCRA 575 (1975).

[12] 65 SCRA at 576.

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The question which arises, therefore, is whether or not the use by petitioner of "Lyceum" in its corporate name has been *for such length of time* and *with such exclusivity* as to have become associated or identified with the petitioner institution in the mind of the general public (or at least that portion of the general public which has to do with schools). The Court of Appeals recognized this issue and answered it in the negative:

"Under the doctrine of secondary meaning, a word or phrase originally incapable of exclusive appropriation with reference to an article in the market, because geographical or otherwise descriptive might nevertheless *have been used so long and so exclusively* by one producer with reference to this article that, in that trade and to that group of the purchasing public, the word or phrase has come to mean that the article was his produce (*Ana Ang vs. Toribio Teodoro,* 74 Phil. 56). This circumstance has been referred to as the distinctiveness into which the name or phrase has evolved through the substantial and exclusive use of the same for a considerable period of time. Consequently, the same doctrine or principle cannot be made to apply where the evidence did not prove that the business (of the plaintiff) has continued for so long a time that it has become of consequence and acquired a good will of considerable value such that its articles and produce have acquired a well-known reputation, and confusion will result by the use of the disputed name (by the defendant) (*Ang Si Heng vs. Wellington Department Store, Inc.*, 92 Phil. 448).

With the foregoing as a yardstick, [we] believe the appellant failed to satisfy the aforementioned requisites. *No evidence was ever presented in the hearing before the Commission which sufficiently proved that the word 'Lyceum' has indeed acquired secondary meaning in favor of the appellant. If there was any of this kind, the same tend to prove only that the appellant had been using the disputed word for a long period of time. Nevertheless, its (appellant) exclusive use of the word (Lyceum) was never established or proven as in fact the evidence tend to convey that the cross-claimant was already using the word 'Lyceum' seventeen (17) years prior to the date the appellant started using the same word in its corporate name. Furthermore, educational institutions of the Roman Catholic Church had been using the same or similar word* like 'Liceo de Manila,' 'Liceo de Baleno' (in Baleno, Masbate), 'Liceo de Masbate,' 'Liceo de Albay' *long before appellant started using the word 'Lyceum'.*

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The appellant also failed to prove that the word 'Lyceum' has become so identified with its educational institution that *confusion* will surely arise in the minds of the public if the same word were to be used by other educational institutions.

In other words, while the appellant may have proved that it had been using the word 'Lyceum' for a long period of time, this fact alone did not amount to mean that the said word had acquired secondary meaning in its favor because the *appellant failed to prove that it had been using the same word all by itself to the exclusion of others. More so, there was no evidence presented to prove that confusion will surely arise if the same word were to be used by other educational institutions.* Consequently, the allegations of the appellant in its first two assigned errors must necessarily fail."[13] (Underscoring partly in the original and partly supplied)

We agree with the Court of Appeals. The number alone of the private respondents in the case at bar suggests strongly that petitioner's use of the word "Lyceum" has not been attended with the exclusivity essential for applicability of the doctrine of secondary meaning. It may be noted also that at least one of the private respondents, *i.e.*, the Western Pangasinan Lyceum, Inc., used the term "Lyceum" seventeen (17) years before the petitioner registered its own corporate name with the SEC and began using the word "Lyceum." It follows that if any institution had acquired an exclusive right to the word "Lyceum," that institution would have been the Western Pangasinan Lyceum, Inc. rather than the petitioner institution.

In this connection, petitioner argues that because the Western Pangasinan Lyceum, Inc. failed to reconstruct its records before the SEC in accordance with the provisions of R.A. No. 62, which records had been destroyed during World War II, Western Pangasinan Lyceum should be deemed to have lost all rights it may have acquired by virtue of its past registration. It might be noted that the Western Pangasinan Lyceum, Inc. registered with the SEC soon after petitioner had filed its own registration on 21 September 1950. Whether or not Western Pangasinan Lyceum, Inc. must be deemed to have lost its rights under its original

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[13] *Rollo,* pp. 46-47.

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1933 registration, appears to us to be quite secondary in importance; we refer to this earlier registration simply to underscore the fact that petitioner's use of the word "Lyceum" was neither the first use of that term in the Philippines nor an exclusive use thereof. Petitioner's use of the word "Lyceum" was not exclusive but was in truth shared with the Western Pangasinan Lyceum and a little later with other private respondent institutions which registered with the SEC using "Lyceum" as part of their corporation names. There may well be other schools using Lyceum or Liceo in their names, but not registered with the SEC because they have not adopted the corporate form of organization.

We conclude and so hold that petitioner institution is not entitled to a legally enforceable exclusive right to use the word "Lyceum" in its corporate name and that other institutions may use "Lyceum" as part of their corporate names. To determine whether a given corporate name is "identical" or "confusingly or deceptively similar" with another entity's corporate name, it is not enough to ascertain the presence of "Lyceum" or "Liceo" in both names. One must evaluate corporate names in their entirety and when the name of petitioner is juxtaposed with the names of private respondents, they are not reasonably regarded as "identical" or "confusingly or deceptively similar" with each other.

WHEREFORE, the petitioner having failed to show any reversible error on the part of the public respondent Court of Appeals, the Petition for Review is *DENIED* for lack of merit, and the Decision of the Court of Appeals dated 28 June 1991 is hereby *AFFIRMED*. No pronouncement as to costs.

SO ORDERED.

Bidin, Davide, Jr., Romero, and *Melo, JJ.,* concur.

Gutierrez, Jr., J., on terminal leave.