

Title:

Lyceum of the Philippines, Inc. v. Court of Appeals, et al.

Facts:

The Lyceum of the Philippines, Inc. (petitioner) is a registered educational institution which has been using the name “Lyceum” since its incorporation on September 21, 1950. On February 24, 1984, the petitioner initiated proceedings with the Securities and Exchange Commission (SEC) to compel various other educational institutions (respondents) to cease using the term “Lyceum” in their corporate names. While some respondents participated in the proceedings, others were declared in default for failing to file a responsive pleading. Prior to this, the petitioner had a similar case against Lyceum of Baguio, Inc. (SEC-Case No. 1241), wherein the SEC and later the Supreme Court (G.R. No. L-46595, resolved via Minute Resolution) upheld the petitioner’s position. Using this judgment as a precedent, the Lyceum of the Philippines wrote to other institutions using “Lyceum” in their names to cease such use. Failure to obtain compliance led to the filing of SEC-Case No. 2579, where a hearing officer initially supported the petitioner’s claim of an exclusive right to “Lyceum.” However, the SEC En Banc reversed this ruling, noting that appending geographic names to “Lyceum” sufficiently distinguished the institutions. The Court of Appeals affirmed the SEC En Banc ruling, prompting the petitioner to elevate the case to the Supreme Court, alleging various errors in the appellate court’s judgment.

Issues:

1. Whether the Court of Appeals erred in ruling that the Supreme Court’s resolution in G.R. No. L-46595 did not establish stare decisis for exclusive use of the word “Lyceum.”
2. Whether the Court of Appeals erred in its findings regarding the incorporation dates of the petitioner and respondent Western Pangasinan Lyceum, Inc.
3. Whether the word “Lyceum” has acquired secondary meaning in favor of the petitioner.
4. Whether the word “Lyceum” as a generic word can be appropriated exclusively by the petitioner.

Court’s Decision:

The Supreme Court denied the petition for lack of merit, thereby affirming the Court of Appeals’ decision. The Court found:

1. The resolution in G.R. No. L-46595 did not constitute res judicata and was not a matter of stare decisis since SEC En Banc re-examined its previous ruling.
2. There was no reversible error in the Court of Appeals’ judgment regarding incorporation dates.

3. The evidence did not establish “Lyceum” had acquired secondary meaning exclusively associated with the petitioner.

4. “Lyceum” is a generic term widely used by various educational institutions and, as such, could not be appropriated exclusively by the petitioner.

Doctrine:

The doctrine of secondary meaning as applied to corporate names and trademarks holds that a generic term can become protectable when used so long and so exclusively by one entity that it becomes associated or identified with that entity in the public’s mind. This case established that “Lyceum” is a generic term and that the petitioner failed to prove exclusive use resulting in secondary meaning.

Class Notes:

Key elements:

- Doctrine of secondary meaning
- Legal requirements for the exclusive right to use of corporate name

Relevant legal statutes: Corporation Code, Section 18

Application: The term “Lyceum,” despite long-term use by petitioner, was not found exclusively associated with petitioner to the degree necessary for secondary meaning. Generic terms require distinctiveness gained through substantial and exclusive use over a considerable time to be appropriated through secondary meaning.

Historical Background:

The use of the word “Lyceum” dates back to ancient Greece and over time evolved to denote institutions of learning. In the Philippines, “Lyceum” began to be used by educational institutions and became a common term for schools and colleges. The Lyceum of the Philippines’ attempt to claim exclusivity in using “Lyceum” signifies the balancing act between institutional identity and the generic character of the terms used in naming educational entities.