

****Title:**** Skechers, U.S.A., Inc. vs. Inter Pacific Industrial Trading Corp., et al.: A Trademark Infringement Case in the Philippine Supreme Court

****Facts:****

The case arose from Skechers, U.S.A., Inc. (petitioner) filing an application for the issuance of search warrants against the premises operated by Inter Pacific Industrial Trading Corp. and others (respondents), for alleged trademark infringement under the Intellectual Property Code of the Philippines. The petitioner registered the trademarks “SKECHERS” and an “S” within an oval design with the Intellectual Property Office (IPO). After executing the warrants, over 6,000 pairs of shoes bearing a similar “S” logo were seized from the respondents.

Respondents moved to quash the search warrants, arguing the absence of confusing similarity between the “Skechers” and “Strong” rubber shoes. The Regional Trial Court (RTC) quashed the warrants and ordered the return of seized goods, citing distinguishable differences that would not confuse an ordinary purchaser.

The petitioner challenged the RTC’s order through a petition for certiorari in the Court of Appeals (CA), which upheld the RTC’s decision. Unsatisfied, Skechers escalated the matter to the Supreme Court, raising questions on the abuse of discretion and findings of trademark infringement or lack thereof. Meanwhile, Trendworks International Corporation filed a Petition-in-Intervention, claiming to be the sole licensed distributor of Skechers in the Philippines.

****Issues:****

1. Whether the CA committed grave abuse of discretion in its assessment and findings on trademark infringement concerning the search warrant’s validity.
2. The applicable test for determining trademark infringement: Dominancy Test versus Holistic Test.

****Court’s Decision:****

The Supreme Court, upon reconsideration, sided with the petitioner Skechers. It held that the “S” logo used by the respondents indeed infringed upon Skechers’ registered trademark under the Dominancy Test, establishing the likelihood of confusion. The Court criticized the CA and RTC’s application of the Holistic Test, underlining the blatant similarities in the design, patterns, and overall appearance of the shoes that would likely cause confusion among purchasers. As a result, the November 30, 2006, decision was set aside, and the

petition was granted in favor of Skechers.

****Doctrine:****

The resolution underscored two doctrines in trademark infringement cases: the Dominancy Test and the Holistic or Totality Test, favoring the former when determining the likelihood of confusion in trademark use. It further distinguished between confusion of goods (product confusion) and confusion of business (source or origin confusion), settling on the dominancy of features as the core element in infringement assessments.

****Class Notes:****

- Trademark Infringement: Using, without consent, a reproduction or imitation of a registered mark likely to cause confusion.
- Dominancy Test: Focuses on the similarity of dominant features of the competing trademarks that may cause confusion.
- Holistic Test: Considers the entirety of the marks, including labels and packaging, to judge confusing similarity.
- Confusion Types: (1) Product confusion and (2) Source or origin confusion.
- Legal Statute: Section 155 of R.A. 8293 (Intellectual Property Code of the Philippines).

****Historical Background:****

The Skechers vs. Inter Pacific Industrial Trading Corp. case exhibits the evolving jurisprudence on trademark infringement in the Philippines, highlighting the importance of protecting registered marks and the intellectual property rights of businesses. It demonstrates the Philippine Supreme Court's commitment to upholding these rights against infringement while ensuring market competition remains fair and genuine. This resolution is reflective of the higher judicial scrutiny given to cases of intellectual property, especially in a rapidly globalizing marketplace where brand identity and trademarks hold significant economic value.