

EN BANC

G.R. No. 196372 — GINEBRA SAN MIGUEL, INC., *petitioner, versus*  
DIRECTOR OF THE BUREAU OF TRADEMARKS, *respondent.*

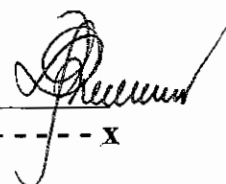
G.R. No. 210224 — TANDUAY DISTILLERS, INC., *petitioner, versus*  
GINEBRA SAN MIGUEL, INC., *respondent.*

G.R. No. 216104 — TANDUAY DISTILLERS, INC., *petitioner, versus*  
GINEBRA SAN MIGUEL, INC., *respondent.*

G.R. No. 219632 — TANDUAY DISTILLERS, INC., *petitioner, versus*  
GINEBRA SAN MIGUEL, INC., *respondent.*

Promulgated:

August 9, 2022



x ----- x

CONCURRING AND DISSENTING OPINION

CAGUIOA, J.:

The “GINEBRA” mark is not a generic mark for gin products in the Philippines. Rather, it is a distinctive term capable of distinguishing the gin products of Ginebra San Miguel, Inc. (GSMI) from those of its competitors. It therefore follows that the “GINEBRA” mark may be appropriated by GSMI through registration with the Intellectual Property Office of the Philippines (IPO).

*Genericness of a mark*

At the outset, I submit that **for purposes of determining genericness of a mark**, one does not need to translate a foreign word mark into its equivalent in the English or Filipino language. In other words, the United States (US) doctrine of foreign equivalents<sup>1</sup> does not and should not be applied in our jurisdiction.

There is nothing in Republic Act No. 8293 or the Intellectual Property Code of the Philippines (IP Code), as amended; IPO Memorandum Circular No. 010-17 or the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers of 2017 (Rules and Regulations on Trademarks); or A.M. No. 10-3-10-SC or the 2020 Revised

<sup>1</sup> *Palm Bay Imps. v. Veuve Clicquot Ponsardin*, 396 F.3d 1369, 1377 (Fed. Cir. 2005):

Under the doctrine of foreign equivalents, foreign words from common languages are translated into English to determine genericness, descriptiveness, as well as similarity of connotation in order to ascertain confusing similarity with English word marks.



Rules of Procedure for Intellectual Property Rights Cases (Rules on IP Cases), which requires the submission of the translation of a foreign word mark, except for the purpose only of determining if the said word should be refused registration in order to protect a well-known mark.<sup>2</sup> A well-known mark is a trademark that “in view of its widespread reputation or recognition, may enjoy broader protection than an ordinary mark.”<sup>3</sup> In the Philippines, the IP Code protects well-known marks by disallowing registration of marks that are identical with, or confusingly similar to, or constitute a translation of a well-known mark, to wit:

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

x x x x

- (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[.]  
(Emphasis supplied)

For instance, in order to register “MANZANA,” the Spanish word for “APPLE,” in Class 9 goods, specifically computers and smartphones, the applicant is required to submit the translation of “MANZANA” to English. This translation requirement is not for the purpose of determining whether the proposed mark is generic or distinctive for computers and smartphones. It is for the purpose of protecting a well-known mark, specifically Apple, Inc.’s “APPLE” mark.<sup>4</sup> In this case, the mark “MANZANA” should be rejected

<sup>2</sup> See IP Code, Section 123.1 (e) and (f).

<sup>3</sup> International Trademark Association (INTA), *Famous/Well-Known Marks*, available at <<https://www.inta.org/topics/famous-well-known-marks/#:~:text=A%20famous%20or%20well%2Dknown%20mark%20is%20a%20trademark%20that,protection%20than%20an%20ordinary%20mark>>.

<sup>4</sup> *Apple Inc., v. Herbanext Inc.*, IPC No. 14-2007-00193, September 3, 2008.

because it merely constitutes a translation of the well-known mark “APPLE,” which is also used for computers and smartphones.

Accordingly, in order to determine the genericness of the mark “GINEBRA” for gin products, the Court should examine the word mark as it is. The Court should not assess the translation or the meaning of the mark in other languages. As such, that the word “GINEBRA” means “gin” in Spanish is irrelevant for purposes of determining whether the proposed “GINEBRA” mark of GSMI is generic for gin products.

On the other hand, what is expressly provided in our trademark law as the test to determine genericness of a mark is to look into the **primary significance** of the word to the relevant public. Section 151.1 of the IP Code provides, as follows:

SECTION 151. *Cancellation.* — 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

x x x x

- (b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. **The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.** (Emphasis supplied)

In the same vein, the Rules on IP Cases provide that “the test for determining whether the mark **IS** or has become the generic name of goods or services on or in connection with which it has been used shall be **the primary significance of the mark to the relevant public rather than purchaser motivation.**”<sup>5</sup>

<sup>5</sup> RULES ON IP CASES, Rule 18, Sec. 8. Emphasis and underscoring supplied.



Under the primary significance test, a term is not generic if “the primary significance of the term in the minds of the consuming public is not the product, but the producer.”<sup>6</sup> Based on the ASEAN Common Guidelines for the Substantive Examination of Trademarks (ASEAN Guidelines), the guidelines used by trademark examiners in the IPO,<sup>7</sup> a mark is generic if it “is **understood** among the interested business circles, consumers and the public at large **to identify goods and services generically.**”<sup>8</sup>

The primary significance test is not an uncommon test for determining genericness of a mark; it is also used in the US. Based on the US Trademark Manual Examining Procedure (TMEP), a mark is generic if the examiner can “show that **the relevant consumers would understand the primary significance of the term, as a whole, to be the name of the class or category of the goods and/or services** identified in the application.”<sup>9</sup>

The primary significance test focuses on consumer perception.<sup>10</sup> Thus, to determine genericness of the mark, it must be “assessed locally in the context of each particular country or community, and in the language or languages spoken therein.”<sup>11</sup> To do so,

[w]e ask **whether consumers think the term represents the generic name of the product or service or a mark indicating merely one source of that product or service.** If the term refers to the product (i.e., the genus), the term is generic. If, on the other hand, it refers to one source or producer of that product, the term is not generic (i.e., it is descriptive, suggestive, or arbitrary or fanciful). (Emphasis supplied)<sup>12</sup>

In the Philippines, especially to the relevant target market of gin products, the word “GINEBRA” is neither used nor understood as a name of a type of alcohol or liquor. It is unlike the words “gin,” “beer,” “whiskey,” or “scotch” which undeniably are used and understood in the Philippines to identify alcoholic drinks generically.

On the other hand, based on independent consumer surveys conducted in 2003 and 2005,<sup>13</sup> *i.e.*, Project Bookman and Project Georgia, 90% of more than 6 million gin drinkers in the General Manila Area, North Luzon and South Luzon associated the word “GINEBRA” with GSMI, not the Spanish

<sup>6</sup> *Kellogg Co. v. National Biscuit Co.*, 305 US 111, 118 (1938).

<sup>7</sup> Available at <<https://www.ipophil.gov.ph/trademark/examination-guidelines/>>.

<sup>8</sup> ASEAN Guidelines (Part 1), p. 66.

<sup>9</sup> *Trademark Manual of Examining Procedure* (July 2022), United States Patent and Trademark Office, 1215.05(a) Genericness Analysis and Relevant Evidence, available at <[https://tmepp.uspto.gov/RDMS/TMEP/current#/result/ch1200\\_d33465\\_25fde\\_224.html?q=the%20relevant%20consumers%20would%20understand%20the%20primary%20significance%20of%20the%20term%2C%20as%20a%20whole&ccb=on&ncb=off&icb=off&fcb=off&ver=current&syn=adj&results=compact&sort=relevance&cnt=10&index=1](https://tmepp.uspto.gov/RDMS/TMEP/current#/result/ch1200_d33465_25fde_224.html?q=the%20relevant%20consumers%20would%20understand%20the%20primary%20significance%20of%20the%20term%2C%20as%20a%20whole&ccb=on&ncb=off&icb=off&fcb=off&ver=current&syn=adj&results=compact&sort=relevance&cnt=10&index=1)>.

<sup>10</sup> See *United States Patent and Trademark Office et al. v. Booking.Com B. V.*, No. 19-46, June 30, 2020, p. 6, available at <[https://www.supremecourt.gov/opinions/19pdf/19-46\\_8n59.pdf](https://www.supremecourt.gov/opinions/19pdf/19-46_8n59.pdf)>.

<sup>11</sup> ASEAN Guidelines (Part 1), p. 66.

<sup>12</sup> Edward J. Health and John M. Tanski, *DRAWING THE LINE BETWEEN DESCRIPTIVE AND SUGGESTIVE TRADEMARKS*, p. 1, citing *E.T. Browne Drug Co. v. Cococare Prods.*, 538 F.3d 185 (2008).

<sup>13</sup> *Ponencia*, pp. 47-48

word for “gin,” as top-of-mind mention.<sup>14</sup> Conversely, TDI failed to submit any evidence to prove that “GINEBRA” is not distinctive to the relevant Philippine market or that the word is used and understood as “gin” based on relevant consumer perception.

All told, it is my considered view that based on the relevant public perception at the time GSMI lodged its trademark application with the IPO in 2003, up to the present, the word “GINEBRA” was already and has remained distinctive. In fact, in recent decisions issued by the IPO,<sup>15</sup> it has concluded that the term “GINEBRA” has already acquired distinctiveness in relation to GSMI’s gin products.

### *Distinctiveness of the “GINEBRA” mark*

Strength of a mark pertains to the degree of distinctiveness of mark, 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 – words 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.<sup>16</sup>

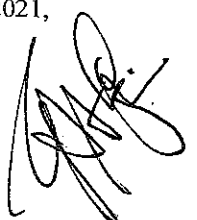
The “GINEBRA” mark is definitely not a fanciful mark because it is not an invented word and has a real meaning in the Spanish language. It is also not arbitrary because its meaning, albeit derived by referring to foreign dictionary, has a logical relation to the product it seeks to identify.

I submit that “GINEBRA” is a suggestive mark, or at least a descriptive mark that has acquired secondary meaning.

<sup>14</sup> Id. at 52.

<sup>15</sup> Ponencia, pp. 19-20.

<sup>16</sup> *Kolin Electronics Co., Inc., v. Kolin Philippines International, Inc.*, G.R. No. 228165, February 9, 2021, available at <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/67171>>.



A suggestive mark employs terms that relate to the product's characteristics or intended use.<sup>17</sup> However, a consumer must "make a mental leap to understand the relationship between a suggestive mark and the product."<sup>18</sup> "Suggestive marks connote, without describing, some quality, ingredient, or characteristic of the product."<sup>19</sup> A suggestive mark thus "requires the observer or listener to *use imagination and perception* to determine the nature of the goods."<sup>20</sup> "Although suggestive terms are descriptive in the sense that 'they are meant to project a favorable or idealistic image with which a prospective user might identify,' they are suggestive **because 'a person without actual knowledge would have difficulty ascertaining the nature of the products that the marks represent.'**"<sup>21</sup>

In the present case, the term "GINEBRA" is suggestive that the product of GSMI is a gin. Verily, for the consumers to relate "GINEBRA" to "gin," they need to make a mental leap, *i.e.*, be able to identify that the word is in Spanish and to obtain its English meaning which is gin. If the relevant consumers do not have actual knowledge of the Spanish language, they will have difficulty in ascertaining that the product of GSMI on which the "GINEBRA" mark is used is a gin.

Accordingly, since the "GINEBRA" mark is a suggestive mark in relation to gin products in the Philippines, it is registrable.<sup>22</sup>

The "GINEBRA" mark may also be considered a descriptive mark with secondary meaning, which is also registrable. A descriptive mark is one that "[c]onsists 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."<sup>23</sup>

Based on the relevant consumer perception, the mark "GINEBRA" describes the gin product of GSMI that has its roots in the product known as "Ginebra San Miguel de Ayala" which had been manufactured by Destilerias Ayala, Inc., since 1834.

While descriptive marks are generally not allowed registration, such descriptive marks may be registered once they acquire distinctiveness under the doctrine of secondary meaning. This doctrine is reflected in the IP Code, as follows:

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

<sup>17</sup> Health and Tanski, *supra* note 12, at 2.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> Neal A. Hoopes, *Reclaiming The Primary Significance Test: Dictionaries, Corpus Linguistics, and Trademark Genericide*, TUSLA LAW REVIEW, Volume 54, Issue 3, Article 5, pp. 413-414. (Emphasis supplied)

<sup>22</sup> See *Societe des Produits Nestle, S.A. v. Court of Appeals*, 408 Phil. 307 (2001).

<sup>23</sup> IP CODE, Sec. 123.1(j).

x x x x

(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

x x x x

123.2. As regards signs or devices mentioned in paragraphs (j), (k), and (l), **nothing shall prevent the registration of any such sign or device which has become distinctive in relation to the goods for which registration is requested as a result of the use that have been made of it in commerce in the Philippines.** The Office may accept as *prima facie* evidence that the mark has become distinctive, as used in connection with the applicant's goods or services in commerce, proof of substantially exclusive and continuous use thereof by the applicant in commerce in the Philippines for five (5) years before the date on which the claim of distinctiveness is made. (Emphasis supplied)

The mark "GINEBRA," although descriptive, has already acquired a secondary meaning. As with the long exclusive and continuous use of the mark by GSMI, the consumers already associate the word with GSMI's gin products. The consumer surveys and other evidence presented by GSMI support this finding.<sup>24</sup>

All told, it is my considered view that the mark "GINEBRA" is or has become a distinctive mark for gin products, and should therefore be allowed registration in the name of GSMI. Accordingly, GSMI's Trademark Application No. 4-2003-0001682 for the mark "GINEBRA" covering goods in Class 33, specifically gin, should be reinstated by the IPO, and allowed to be published in the IPO's *e-Gazette* for opposition purposes, in accordance with Section 133.2 of the IP Code.<sup>25</sup>

Conversely, GSMI's opposition to Trademark Application No. 4-2006-008715 of Tanduay Distillers, Inc. (TDI) for the mark "GINEBRA KAPITAN" covering the same goods classified as "gin" should be sustained. Consequently, TDI's Trademark Application No. 4-2006-008715 should be refused registration.

<sup>24</sup> *Ponencia*, pp. 48-61.

<sup>25</sup> IP CODE, Sec. 133:

SECTION 133. *Examination and Publication.* - x x x x

133.2. Where the Office finds that the conditions referred to in Subsection 133.1 are fulfilled, it shall, upon payment of the prescribed fee, forthwith cause the application, as filed, to be published in the prescribed manner.



Section 123.1(d) of the IP Code provides that a mark should not be allowed registration if it:

- (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)

GSMI's Trademark Application No. 4-2003-0001682 for the mark "GINEBRA" was filed on February 21, 2003.<sup>26</sup> Meanwhile, TDI's Trademark Application for the mark "GINEBRA KAPITAN" was filed on August 9, 2006.<sup>27</sup> Therefore, it is without question that the subject trademark application of GSMI has an earlier filing date compared to that of TDI. It is also undisputed that both marks cover the same goods which are gin products. Therefore, the only question that remains is whether the "GINEBRA" mark is confusingly similar to the "GINEBRA KAPITAN" mark.

In the interest of consistency and clarity, I submit that the "multifactor test," cited in the recent case of *Kolin Electronics Co., Inc., v. Kolin Philippines International, Inc.*<sup>28</sup> (*Kolin*), should be used as the criteria for purposes of determining likelihood of confusion. These criteria include: (a) the strength of plaintiff's mark; (b) the degree of similarity between the plaintiff's mark 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.<sup>29</sup>

As held in *Kolin*, based on the Trademark Law and the IP Code, the most significant criteria in the multifactor test are: (1) the resemblance of the marks, *i.e.*, "(b) the degree of similarity between the plaintiff's mark and the defendant's marks;" and (2) the relatedness of goods and services, *i.e.*, "(c) the proximity of the products or services."<sup>30</sup> Moreover, if there are concurrent findings of resemblance of marks and/or relatedness of goods/services, the Court should also consider actual confusion as strong evidence of likelihood of confusion.<sup>31</sup>

<sup>26</sup> See Intellectual Property Office of the Philippines, *Philippine Trademark Database*, available at <<https://branddb.wipo.int/branddb/ph/en/#>>.

<sup>27</sup> *Id.*

<sup>28</sup> *Kolin Electronics Co., Inc., v. Kolin Philippines International, Inc.*, *supra* note 16.

<sup>29</sup> *Id.*, citing RULES ON IP CASES, Rule 18, Sec. 5.

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*





Lest I be misconstrued, I clarify that our ruling in *Seri Somboonsakdikul v. Orlane S.A.*<sup>32</sup> (*Seri Somboonsakdikul*) still stands. In *Seri Somboonsakdikul*, the Court ruled that if at the outset there is no finding of resemblance of marks, the Court no longer needs to belabor a discussion on the other factors.<sup>33</sup> This, however, is not the case here.

### 1. *Resemblance of the marks*

As held in *Kolin*, the Dominancy Test is the prevailing test for purposes of determining the resemblance between two competing **marks**, which, as mentioned above, is just one of the criteria used for determining likelihood of confusion.<sup>34</sup> To be sure, the Dominancy Test will not be the sole determinant of likelihood of confusion especially if the other factors in the multifactor test all point towards the unlikelihood of confusion (*e.g.*, using the same word mark “APPLE” for phones and rice products will likely not cause confusion).

#### 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.<sup>35</sup> (Emphasis supplied)

The prevalent features of the **marks** — which, as described by the Court in *Seri Somboonsakdikul*, generally pertain to “the first word/figure that catches the eyes or that part which appears prominently to the eyes and ears.”<sup>36</sup> An examination of the subsequent mark “GINEBRA KAPITAN” and the prior mark “GINEBRA” would show that the prevalent feature of both marks is the word “GINEBRA.” Verily, the first word that catches the eyes of the consumers is the word “GINEBRA.” Thus, the addition of the element “KAPITAN” is of no moment, and does not make TDI’s “GINEBRA KAPITAN” mark sufficiently distinct from the previously registered and subsisting GINEBRA marks of GSMI.

### 2. *Relatedness of Goods/Services*

Since both the “GINEBRA” and “GINEBRA KAPITAN” marks of GSMI and TDI, respectively, cover gin products, the relatedness of the goods covered by their marks cannot be disputed.

### 3. *Actual Confusion*

<sup>32</sup> 805 Phil. 37 (2017)

<sup>33</sup> *Id.* at 57.

<sup>34</sup> *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 16.

<sup>35</sup> *Id.*, citing *Mighty Corporation v. E. & J. Gallo Winery*, 478 Phil. 615 (2004).

<sup>36</sup> *Seri Somboonsakdikul v. Orlane S.A.*, *supra* note 32, at 54-55.

Consumer surveys have shown that confusion among consumers or purchasers of gin products of GSMI and TDI is not only speculative, but is actual and real, to wit:

In Project Bookman, 90% of the respondent gin-drinkers associate the word 'GINEBRA' with GSMI's products. The same survey results showed that even when shown the front view of the bottle of 'GINEBRA KAPITAN', majority of these respondents (86% in the GMA and 83% in South Luzon) perceived it as a product of San Miguel or Ginebra San Miguel/Ginebra or La Tondeña. The empirical results of the consumer surveys provide an objective analysis whether there is a likelihood of confusion between the two products.

In Project Georgia, it was demonstrated that by merely showing the 'GINEBRA KAPITAN' product, 84% of the respondents stated that its manufacturer is GSMI. Evidently, the dominant mark of TDI's product is the 'GINEBRA' term, which causes confusion among the survey respondents as to the origin of the product. 'GINEBRA' is also the dominant mark of 'GINEBRA S. MIGUEL' because an overwhelming majority of respondents of the survey immediately associated GSMI's gin products with the distinctive mark 'GINEBRA.' As such, the consuming public would just rely on the said dominant mark and not really take time to examine the difference between the two gin products. A consumer is less likely to notice the differences in the label and packaging of the two gins and would just look for the word 'GINEBRA' as a product of GSMI without anymore examining whether the same was 'SAN MIGUEL' or 'KAPITAN.'<sup>37</sup>

Considering a finding of resemblance of the competing marks and identity of the goods, the results of the survey showing actual confusion should tilt the scale more towards strong likelihood of confusion.

#### 4. *Normal Potential Expansion of Business*

As explained in *Kolin*, this factor involves the "likelihood that the plaintiff will bridge the gap," which means "the possibility that the plaintiff will expand its product offerings to cover the product areas of the defendant."<sup>38</sup> Since the products covered by the "GINEBRA" marks of both GSMI and TDI are the same, *i.e.*, gin products, and both companies are engaged in the manufacture and sale of alcoholic beverages, this factor strongly supports a finding of likelihood of confusion.

#### 5. *Sophistication of Buyers*

As stated in the *ponencia*:

x x x The target market of these gin products was the class D and E consumers. When going to the store, there is no existing or objective evidence presented that an ordinary consumer from the said classes would

<sup>37</sup> *Ponencia*, pp. 77- 78.

<sup>38</sup> *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, supra note 16.

conduct a taste-test before purchasing the gin product from the store to determine the product's taste. The subjective deduction of the IPO Director General regarding consumer preference for the competing products is out of touch.

Instead, it is more likely and highly probable that, when an ordinary purchaser from the target class buys a gin product in a store, that person would simply mention or look for the word 'GINEBRA' without specifying whether he or she is buying a 'GINEBRA SAN MIGUEL' or 'GINEBRA KAPITAN'. This was confirmed by the results of Project Georgia where more than 80% of the respondents were confused and believed that TDI's product was that of GSMI because of the distinctive mark of 'GINEBRA'.<sup>39</sup>

Accordingly, it can be said that the market of GSMI and TDI does not pay much attention to buying gin products. Verily, they are not sophisticated buyers who would closely examine the product handed to them whenever they ask to buy a "GINEBRA" gin product; thus, making confusion of product and business highly likely.

#### 6. *Strength of the Mark*

As exhaustively discussed above, the word "GINEBRA" is either a suggestive or a descriptive mark that has acquired a secondary meaning.<sup>40</sup> These types of marks are distinctive. Therefore, confusion would be likely if someone else were to be allowed to concurrently use the same mark in commerce, especially for the same type of goods.

#### 7. *Bad faith*

Considering that GSMI and TDI are in the same line of business, it would be highly improbable that TDI did not know of the earlier trademark application of GSMI for the mark "GINEBRA" to cover gin products.<sup>41</sup> Therefore, there is reasonable ground to support the conclusion that TDI was in bad faith when it subsequently submitted registration for its "GINEBRA KAPITAN" mark which also covers gin products.

Moreover, TDI's application for its "GINEBRA KAPITAN" mark should be disallowed because it "is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services."<sup>42</sup> In fact, as shown in the independent consumer surveys presented by GSMI, there already is evidence to prove that TDI's use of the similar word "GINEBRA KAPITAN" on its gin products resulted in the public being misled into believing that their gin products are those of GSMI — the one that has its roots in the gin products manufactured by Destilerias Ayala, Inc., in the 1800s.<sup>43</sup>

<sup>39</sup> Ponencia, pp. 80-81.

<sup>40</sup> Id. at 72.

<sup>41</sup> See *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, supra note 16.

<sup>42</sup> See IP CODE, Sec. 123.1(g).

<sup>43</sup> Ponencia, p. 3.

In fine, I submit that in accordance with Section 123.1(d) and (g) of the IP Code, GSMI's "GINEBRA" mark, which bears a much earlier filing date, should bar the registration of the confusingly similar "GINEBRA KAPITAN" mark of TDI. Otherwise, the public may be misled into believing that TDI's gin products bearing the mark "GINEBRA KAPITAN" have the same nature, quality and characteristics as those of GSMI. Therefore, the opposition case filed by GSMI against TDI's "GINEBRA KAPITAN" mark should be sustained, and TDI's trademark application should be denied registration.

***TDI should NOT be held liable  
for Trademark Infringement***

GSMI claims that TDI infringed its "GINEBRA" marks when the latter used a confusingly similar mark, "GINEBRA KAPITAN," on its gin products.

The elements of trademark infringement are as follows:




- (1) The trademark being infringed is **registered in the [IPO]**; however, in infringement of trade name, the same need not be registered;
- (2) The trademark or trade name is reproduced, counterfeited, copied, or colorably imitated by the infringer;
- (3) The infringing mark or trade name is used in connection with the sale, offering for sale, or advertising of any goods, business or services; or the infringing mark or trade name is applied to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used upon or in connection with such goods, business or services;
- (4) The use or application of the infringing mark or trade name is likely to cause confusion or mistake or to deceive purchasers or others as to the goods or services themselves or as to the source or origin of such goods or services or the identity of such business; and
- (5) It is without the consent of the trademark or trade name owner or the assignee thereof.<sup>44</sup> (Emphasis supplied)

In connection with the first element, the basis of GSMI for filing the trademark infringement case against TDI are the following registrations containing the element "GINEBRA" in Class 33 goods, specifically gin products, that were still active at the time of filing the infringement action.<sup>45</sup>

<sup>44</sup> *Societe Produits Nestle, S.A. v. Dy, Jr.*, 641 Phil. 345, 357 (2010).

<sup>45</sup> *Rollo* (G.R. No. 210224) Vol. III, p. 1389.



Mark	Registration / Application No.	Registration Date	Disclaimer
GINEBRA SAN MIGUEL	7484	September 18, 1986	"The word 'Ginebra' is disclaimed apart from the mark as shown." <sup>46</sup>
GINEBRA SAN MIGUEL	42568	January 19, 1989	"Applicant disclaimed the word 'Ginebra' apart from the mark as shown." <sup>47</sup>
	53668	October 13, 1992	The word Ginebra 65 is disclaimed. <sup>48</sup>
	001389	October 13, 1993	The applicant hereby disclaims as parts of the names appearing on or the containing the following: "GINEBRA SAN MIGUEL, Product of the Philippines, Made from the Finest Sugar Cane Alcohol and the Best Imported Essences Obtainable." <sup>49</sup>
	4/1996/113597	July 23, 2001	"Ginebra mix" <sup>50</sup>

<sup>46</sup> Id. at 1552.

<sup>47</sup> Id. at 1547.

<sup>48</sup> Id. at 1555.

<sup>49</sup> Id. at 396.

<sup>50</sup> Id. at 1558.



An examination of the **first three**<sup>51</sup> of the above-listed registered marks of GSMI and TDI's "GINEBRA KAPITAN" mark would show that the prevalent feature of these marks is the word "GINEBRA." Verily, the first word that catches the eyes of the consumers of both GSMI and TDI's marks is the word "GINEBRA." The differences in the marks, *i.e.*, the style and the words/numbers "SAN MIGUEL," "65," and "KAPITAN," are insignificant differences and do not sufficiently make the marks of GSMI and TDI distinct from each other.

That said, even as the relevant registrations of GSMI were already existing and still active at the time GSMI filed the trademark infringement case against TDI, they all disclaimed the exclusive use of the word "GINEBRA."<sup>52</sup> According to the Rules and Regulations on Trademarks, "the basic purpose of a disclaimer is to make of record, that a significant element of a composite mark is not being exclusively appropriated apart from the composite,"<sup>53</sup> to wit:

Rule 604. *Disclaimers.* — The basic purpose of disclaimers is to make of record, **that a significant element of a composite mark is not being exclusively appropriated apart from the composite.** The following portions of a mark, when forming part of the composite mark, must be disclaimed to permit registration, namely:


- (a) a generic term;
- (b) a descriptive matter in the composite mark;**
- (c) a customary term, sign or indication; or
- (d) a matter which does not function as a trademark, or service mark or a trade name.

Such disclaimer shall not prejudice or affect the applicant's rights then existing under some other law or thereafter arising in the disclaimed matter, nor shall such disclaimer prejudice or affect the applicant's rights to registration on another application of later date, where the disclaimed matter has become distinctive of the applicant's goods, business or services.<sup>54</sup> (Emphasis supplied)

Necessarily, GSMI cannot claim exclusive use of the word "GINEBRA" based on the above-listed registrations precisely because they all disclaimed the exclusive use of the descriptive word "GINEBRA." **Giving**

<sup>51</sup> TDI's "GINEBRA KAPITAN" mark does not resemble the last two registrations of GSMI, even if they also contain the word "GINEBRA" and were registered at the time of TDI's infringing use. Respectfully,



it is my considered view that the dominant feature of the foregoing marks are: the  element and the word "CLIQ!", respectively; not the word "GINEBRA". Accordingly, the last two marks should no longer be considered for purposes of determining if TDI committed trademark infringement, because confusion is very much unlikely in case of these marks since the essential element of colorable imitation or resemblance between the allegedly infringing mark is missing.

<sup>52</sup> *Rollo* (G.R. No. 210224) Vol. III, pp. 1389, 1552, 1547, 1555, and 1558.

<sup>53</sup> RULES AND REGULATIONS ON TRADEMARKS, Rule 604.

<sup>54</sup> *Id.*

**GSMI exclusivity over the use of “GINEBRA” would be inconsistent with, and would render ineffectual, GSMI’s voluntary disclaimers of the term “GINEBRA” in its previous registrations.** Lest it be misconstrued, however, a disclaimer should not “prejudice or affect the applicant’s or owner’s rights on another application of later date, if the disclaimed matter became distinctive of the applicant’s or owner’s goods, business or services.”<sup>55</sup> Indeed, GSMI’s right to exclusively use and register the term “GINEBRA” is precisely in issue in G.R. No. 196372, which is one of the cases being resolved in this decision.

In other words, **the term “GINEBRA” should not be considered as exclusive to, and as registered with the IPO in the name of GSMI at the time GSMI filed the trademark infringement case against TDI.** Accordingly, **since the first element of trademark infringement is absent,** TDI’s use of the word “GINEBRA” in its “GINEBRA KAPITAN” mark cannot be classified as trademark infringement. Therefore, TDI should not be held liable for trademark infringement.

***TDI should instead be held liable  
for Unfair Competition***

Section 168.3 of the IP Code provides that the following shall be deemed guilty of unfair competition:

- (a) Any person, who is selling his goods and **gives them the general appearance of goods of another manufacturer or dealer, either as to the goods themselves or in the wrapping of the packages in which they are contained, or the devices or words thereon, or in any other feature of their appearance,** which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer, other than the actual manufacturer or dealer, or who otherwise clothes the goods with such appearance as shall deceive the public and defraud another of his legitimate trade, or any subsequent vendor of such goods or any agent of any vendor engaged in selling such goods with a like purpose. (Emphasis supplied)

Unfair competition has been defined as the “passing off (or palming off) or attempting to pass off upon the public of the goods or business of one person as the goods or business of another with the end and probable effect of deceiving the public.”<sup>56</sup> The elements of unfair competition are: (1) confusing similarity in the general appearance of the goods; and (2) intent to deceive the public and defraud a competitor.<sup>57</sup>

Here, confusing similarity in the general appearance of the gin products of both GSMI and TDI has been established. As aptly observed by the *ponencia*, based on a careful examination of the two competing products of GSMI and TDI:

<sup>55</sup> Id.

<sup>56</sup> *Superior Commercial Enterprises, Inc. v. Kunnan Enterprises Ltd., and Sports Concept & Distributor, Inc.*, 632 Phil. 546, 571 (2010).

<sup>57</sup> Id.



x x x The labels depict attacking or charging scenes — the archangel Michael wielding a sword against the fallen devil for “GINEBRA S. MIGUEL” and a *kapitan* mounted on a horse leading his troops and pointing his bolo for “GINEBRA KAPITAN.” Notably, in both marks, the central figure appears to be on the offensive, using a bladed weapon.<sup>58</sup>

In Project Bookman, it was found that “even when shown the front view of the bottle of “GINEBRA KAPITAN[,]” majority of the respondents (86% in the GMA and 83% in South Luzon) perceived it as a product of [GSMI].”<sup>59</sup> On the other hand, in Project Georgia, “it was demonstrated that by merely showing the ‘GINEBRA KAPITAN’ product, 84% of the respondents stated that its manufacturer is GSMI.”<sup>60</sup> “[R]espondents explained why they were actually confused that GINEBRA KAPITAN was a product of GSMI. When shown the product of GINEBRA KAPITAN, its round bottle shape (45%), the predominant features in its label design (32%), and logo (13%) were the key specific elements that lead consumers into thinking that the group was drinking GINEBRA SAN MIGUEL.”<sup>61</sup>

There was also intent to deceive the public and defraud competitors.

Section 7, Rule 18 of the Rules on IP Cases provides:

SECTION 7. *Intent to defraud or deceive.* — In an action for unfair competition, **the intent to defraud or deceive the public shall be presumed:**

- a) when the defendant passes off a product as his **by using imitative devices, signs or marks on the general appearance of the goods**, which misleads prospective purchasers into buying his merchandise under the impression that they are buying that of his competitors;
- b) when the defendant makes any false statement in the course of trade to discredit the goods and business of another; or
- c) where the **similarity in the appearance of the goods as packed and offered for sale is so striking.** (Emphasis supplied)

Intent to pass off should be presumed in the instant case. If there was no intent to palm off TDI’s gin products as those of GSMI, it is uncanny that aside from the use of the same word “GINEBRA,” the general appearances of the two competing products are also strikingly similar, as established above. Therefore, TDI should be held liable for unfair competition. If TDI had really wanted to make its products distinctive, TDI could have employed a totally different trade dress to set its products apart from GSMI’s products.

<sup>58</sup> *Ponencia*, pp. 77-78.

<sup>59</sup> *Id.* at 78.

<sup>60</sup> *Id.* at 79.

<sup>61</sup> *Id.*



I would also like to underscore that the registration of the mark or brand name used on a product is not necessary in order to prove unfair competition.<sup>62</sup> As long as there are other sufficient evidence to prove passing off of goods or services aside from the similarities between the competing marks or brand names used, a person may already be held liable for unfair competition.

All told, it is my considered view that TDI should not be held liable for trademark infringement, but for unfair competition.

### *Divergence from the ponencia*

In light of the foregoing discussions, I concur with the *ponencia* that the “GINEBRA” mark is a distinctive mark and may be registered in the name of GSMI for gin products.<sup>63</sup> I likewise agree with the *ponencia* that TDI’s application for “GINEBRA KAPITAN” mark covering goods in Class 33, specifically gin, should be disallowed.<sup>64</sup>

Senior Associate Justice Marvic M.V.F. Leonen (Justice Leonen) proffers otherwise, *i.e.*, the word “GINEBRA” is generic for gin products because it is the Spanish word for “gin.”<sup>65</sup> He argues that “the prohibition against the registration of generic marks must extend even to foreign equivalents of generic marks,”<sup>66</sup> citing, as basis, the provision in the IP Code which requires applicants to provide a translation or transliteration of the mark being applied for.<sup>67</sup>

[t]he purpose of the translation requirement is to prevent the circumvention of the provisions of the [IP Code], by which an applicant for a mark may obtain an exclusive right to use a non-registrable mark simply by using a language unfamiliar to the trademark examiner. Applicants for trademarks should not be allowed to use the foreign-language equivalents of marks which would have been otherwise denied for non-registrability had they been applied for in English or Filipino.<sup>68</sup>

I disagree. Justice Leonen is effectively proposing that the US doctrine of foreign equivalents for the purpose of determining the genericness of a mark should be applied. However, as already established in the earlier discussion, there is no basis in applying said doctrine in the Philippines. This reliance on foreign rules and doctrines, where the contrary may be clearly established or inferred from our domestic laws, is improper. Again, at the risk of being repetitive, the IP Code’s requirement to submit the translation of a foreign word mark is not for the purpose of determining whether a mark is generic or not, but rather, for the purpose of protecting a well-known mark.

<sup>62</sup> See *Del Monte Corporation v. Court of Appeals*, 260 Phil. 435, 440 (1990).

<sup>63</sup> *Ponencia*, p. 62.

<sup>64</sup> *Id.* at 90.

<sup>65</sup> Separate Opinion of Justice Leonen, p. 12.

<sup>66</sup> *Id.* at 10.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.* at 10-11.



I also disagree with Justice Leonen's statement that Spanish is not an unfamiliar or dead language to the Filipinos. Spanish may be common in the Philippines several years ago, but it no longer is now. In fact, it is no longer considered as one of the Philippines' official languages.<sup>69</sup> That some may still speak and understand Spanish is not enough to disallow GSMI's application. It must also be proven that the relevant consumers, specifically the gin buyers and drinkers nowadays, identify "GINEBRA" as a Spanish word for gin. Again, no evidence was presented to prove this. On the other hand, GSMI presented overwhelming evidence to prove that the relevant consumers now already associate the word GINEBRA to GSMI's gin product.

According to Justice Leonen, the Court should not use the test of primary significance because based on the IP Code, it should only be used to test genericide.<sup>70</sup> Respectfully, I submit that this is erroneous and too restrictive an interpretation. The Rules on IP Cases expressly provide that the primary significance test should also be used not just to determine if the mark has become generic, but also if the mark **IS** generic.<sup>71</sup> Verily, the ASEAN Guidelines used by trademark examiners in the IPO, which Justice Leonen also cited in his opinion, also advocate the use of the primary significance test. This may be inferred from the fact that the ASEAN Guidelines provide that a generic mark "is understood among the interested business circles, consumers and the public at large to identify goods and services generically."<sup>72</sup> It further provides that refusal of the mark based on genericness shall be "assessed locally in the context of each particular country or community, and in the language or languages spoken therein,"<sup>73</sup> or in other words, based on the perception of the relevant public.

To be clear, I share Justice Leonen's view that other traders should be able to use generic marks for their goods or services.<sup>74</sup> However, the premise of this principle is that the subject mark is considered as generic in the first place. Here, aside from independently translating the word "GINEBRA" in English and finding that the English translation qualifies as a generic mark, there is no other evidence presented to prove that the mark is understood as generic by the relevant target market in the Philippines. Considering that there is no textual anchor for applying the doctrine of foreign equivalents in our jurisdiction, there is absolutely no basis for concluding that the "GINEBRA" mark is generic for gin products in the Philippines.

Certainly, the evil sought to be prevented by the rule against registration of generic marks is that no one proprietor is allowed to exclusively appropriate a generic mark from common usage. However, at the risk of being repetitive, there is no evidence that such is the case here. If the mark is readily understood as generic by the relevant market, as claimed by TDI and as determined by

<sup>69</sup> CONSTITUTION, Art. XIV, Sec. 17.

<sup>70</sup> Separate Opinion of Justice Leonen, p. 14.

<sup>71</sup> RULES ON IP CASES, Rule 18, Sec. 8.

<sup>72</sup> ASEAN Guidelines (Part 1), p. 66. Underscoring supplied.

<sup>73</sup> Id. Underscoring supplied.

<sup>74</sup> Separate Opinion of Justice Leonen, p. 8.

Justice Leonen and Associate Justice Amy C. Lazaro-Javier (Justice Lazaro-Javier),<sup>75</sup> would it be so difficult for TDI to produce surveys directly refuting the overwhelming evidence presented by GSMI? Absent any credible refutation of the survey evidence, the refusal of the registration for a locally distinctive mark “GINEBRA,” simply because it may be considered as a generic term in Spanish-speaking countries, will be detrimental not only to GSMI but also to the consumers who may be exposed to confusion in the market if other proprietors are allowed to use it freely.

Further, trademark protection is territorial. Registering a mark depends on an individual country’s context, rules, and laws. Justice Leonen mentioned the Madrid System<sup>76</sup> and correctly pointed out that the “marks sought for registration using the Madrid Protocol are still examined according to the relevant national law.”<sup>77</sup> This, however, is precisely why Justice Leonen’s assertion that it is important to determine genericness by translating any foreign language to English or Filipino, (*i.e.*, applying the doctrine of foreign equivalents) should fail. Indeed, the IP office of every country should only be expected to rely on local laws and context, regardless of the circumstances/understanding/context of any foreign entrants, and this is not incompatible or against international comity or global trade. An immoral/scandalous term unregistrable as a trademark in one country may be considered as innocuous or commonplace, hence possibly registrable, in another. In the same way, what is considered as a generic term in one country may be considered as distinctive in another.

For example, the English term “chair” translated into other languages is: “KARRIGE” (Albanian) or “UPUAN” (Filipino). If a foreign proprietor files a trademark application to exclusively appropriate the term “KARRIGE” for chairs in the Philippines, it may plausibly acquire registration here because that word is not understood by relevant Filipino consumers to mean “chair.”

On the other hand, if the same foreign proprietor applies for “UPUAN” — a term supposedly distinctive and not generic in its home country — in the Philippines, it will surely not be allowed because “UPUAN” is readily understood by Filipinos as the term for “chairs” based on the primary significance test.

Relatedly, I disagree with the *ponencia* when it rules that descriptive terms and geographical names are only given preferential treatment over other marks when the IP Code speaks of acquired distinctiveness or secondary meaning.<sup>78</sup> Section 123 of the IP Code on registrability of marks provides, as follows:

Sec. 123. *Registrability.* – 123.1. A mark cannot be registered if it:

x x x x

<sup>75</sup> Dissent of Associate Justice Amy C. Lazaro-Javier, p. 2.

<sup>76</sup> Separate Opinion of Justice Leonen, p. 15.

<sup>77</sup> *Id.*

<sup>78</sup> *Ponencia*, p. 71.

- h. Consists exclusively of signs **that are generic for the goods or services that they seek to identify;**

x x x x

- 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;

x x x x

123.2. As regards signs or devices mentioned in paragraphs (j), (k), and (l), nothing shall prevent the registration of any such sign or device which has become distinctive in relation to the goods for which registration is requested as a result of the use that have been made of it in commerce in the Philippines. The Office may accept as *prima facie* evidence that the mark has become distinctive, as used in connection with the applicant's goods or services in commerce, proof of substantially exclusive and continuous use thereof by the applicant in commerce in the Philippines for five (5) years before the date on which the claim of distinctiveness is made. (Emphasis and underscoring supplied)

The *ponencia* concedes that Section 123.2 of the IP Code, which is the statutory basis of the doctrine of secondary meaning, mentions only paragraphs (j), (k), and (l) of Section 123.1, which refer to descriptive terms and geographical names.<sup>79</sup> Nonetheless, the *ponencia* posits that this should not be treated as “a categorical statement that ‘only’ such terms have the capacity to acquire secondary or distinctive meaning.”<sup>80</sup> From this the *ponencia* deduces that the IP Code “gives preferential treatment to those marks under paragraphs (j), (k), and (l) of Section 123.1 to receive *prima facie* evidence of distinctiveness.”<sup>81</sup>

Respectfully, I disagree.

Section 123.2 should be read in conjunction with Section 123.1 of the IP Code. I submit that Section 123.1 provides the general rule, *i.e.*, what marks cannot be registered. On the other hand, Section 123.2 speaks of exceptions to the general rule, such that although certain marks are listed as non-registrable under Section 123.1, they may still be eligible for registration *if it*

<sup>79</sup> *Ponencia*, pp. 70-71.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.* at 71.



**is proven that they have become distinctive or have acquired secondary meaning in relation to the goods or services for which registration is requested.**

Section 123.2 of the IP Code is clear that only signs and devices mentioned in paragraphs (j), (k), and (l) of Section 123.1, or only descriptive terms and geographical names, to the exclusion of other marks listed in Section 123.1, are capable of becoming distinctive marks under the doctrine of secondary meaning. These marks are not merely given preferential treatment, contrary to the pronouncement in the *ponencia*.<sup>82</sup> If we give marks under paragraphs (j), (k), and (l) of Section 123.1 only a “preferential treatment,” then it follows that other marks listed in Section 123.1 are still capable of acquiring distinctiveness, albeit not preferred. Again, this is not the intention of the IP Code, as well as the rule of statutory construction, to wit:

It is an elementary rule of statutory construction that the express mention of one person, thing, act, or consequence excludes all others. This rule is expressed in the familiar maxim “*expressio unius est exclusio alterius*.” Where a statute, by its terms, is expressly limited to certain matters, it may not, by interpretation or construction, be extended to others. The rule proceeds from the premise that the legislature would not have made specified enumerations in a statute had the intention been not to restrict its meaning and to confine its terms to those expressly mentioned.<sup>83</sup>

**Notably, generic terms are mentioned in paragraph (h) of Section 123.1, yet it is excluded from the enumeration in Section 123.2 of signs and devices capable of acquiring distinctiveness.** Verily, if Congress intended to include generic terms or generic names of goods or services among those capable of evolving into distinctive marks, they could have just easily included paragraph (h) in the enumeration.

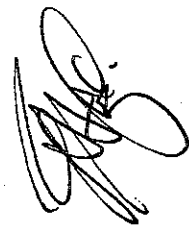
Moreover, if we follow the reasoning of the *ponencia*, then we should also allow registration of other marks listed in Section 123.1,<sup>84</sup> of the IP Code

<sup>82</sup> Id.

<sup>83</sup> *Centeno v. Villalon-Pornillos*, 306 Phil. 219, 228 (1994).

<sup>84</sup> 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



*i.e.*, aside from those expressly listed in Section 123.2, the moment they become distinctive. To me, this is not accurate.

Congress has limited the application of the doctrine of secondary meaning only to descriptive terms and geographical names under paragraphs (j), (k), and (l), precisely because they do not intend to extend registration to the other marks listed in Section 123.1, *e.g.*, those that consist of immoral, deceptive or scandalous matters,<sup>85</sup> flags or coat of arms or other insignia of the Philippines or of any foreign nation,<sup>86</sup> or exclusively of signs that are generic for the goods or services that they seek to identify,<sup>87</sup> no matter how distinctive they become. This is not without any reason. To allow registration of the foregoing marks may be against laws, customs, public order, morality or public policy. As aptly stated in the *ponencia*, “if the mark is a generic term, then it is not subject to any protection at all and cannot be appropriated exclusively.”<sup>88</sup> To use the example of the *ponencia*,<sup>89</sup> one cannot and should not be allowed to register the word “COFFEE” for a product of coffee; otherwise, it will prevent other persons or businesses from properly calling their product “COFFEE.”

To be sure, in *Pearl & Dean (Phil.) Incorporated v. Shoemart Incorporated and North Edsa Marketing, Incorporated*,<sup>90</sup> the Court categorically held that the fact that the term “Poster Ads” is generic and incapable of being used as a trademark in the field of poster advertising precludes the application of the Doctrine of Secondary Meaning.

In *Ang v. Teodoro*,<sup>91</sup> the Court ruled that since the subject term “ANG TIBAY” is neither geographic nor descriptive, it was unnecessary to apply the doctrine of secondary meaning. The Court further stated that the:

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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;

x x x x

- (m) Is contrary to public order or morality.

<sup>85</sup> Id. at paragraph (a).

<sup>86</sup> Id. at paragraph (b).

<sup>87</sup> Id. at paragraph (h).

<sup>88</sup> *Ponencia*, p. 29.

<sup>89</sup> Id.

<sup>90</sup> 456 Phil. 474 (2003).

<sup>91</sup> 74 Phil. 50 (1942).

doctrine is to the effect that 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.<sup>92</sup> (Emphasis and underscoring supplied)

The Court in *Shang Properties Realty Corporation v. St. Francis Square Development Corporation*,<sup>93</sup> citing a US case, stated that “secondary meaning is established when a **descriptive mark** no longer causes the public to associate the goods with a particular place, but to associate the goods with a particular source.”<sup>94</sup>

Further, I respectfully submit that the second clause of Section 123.2 should only qualify the first clause of the same subsection, in accordance with the Doctrine of Last Antecedent, *i.e.*, qualifying words and phrases refer to the immediately succeeding antecedent, unless contrary intention appears in the statute.<sup>95</sup>

Accordingly, the second clause of Section 123.2 should **only** be applied to paragraphs (j), (k), and (l) of Section 123.1. As such, in order to prove that a descriptive or geographic term has acquired distinctiveness or secondary meaning, the IPO may accept as proof thereof the applicant’s substantially exclusive and continuous use of the mark in commerce in the Philippines for five years before the date on which the claim of distinctiveness is made.

**In light of the foregoing, I submit that contrary to the pronouncement in the ponencia, other marks outside paragraphs (j), (k), and (l) of Section 123.1 cannot acquire secondary meaning, regardless of public perception. Nonetheless, I agree with the ponencia that a generic term may evolve into a descriptive term.<sup>96</sup> And it is only when it has already become descriptive that it may be capable of acquiring distinctiveness based on Section 123.2 of the IP Code. In other words, under the doctrine of secondary meaning, a term cannot jump from being generic to being distinctive at once. It must first evolve into a descriptive term and thereafter acquire distinctiveness, as in the case here.<sup>97</sup>**

<sup>92</sup> Id.

<sup>93</sup> 739 Phil. 244 (2014).

<sup>94</sup> Id. at 257. Emphasis and underscoring supplied.

<sup>95</sup> See *Cadayona v. Court of Appeal*, 381 Phil. 619 (2000).

<sup>96</sup> *Ponencia*, p. 72.

<sup>97</sup> See *id.*:

In other words, there is nothing in R.A. No. 8293 that prevents a previous generic term from evolving into a descriptive term and becoming registrable under the doctrine of secondary meaning. Genericness is not a perpetual determination in an unalterable and static market; it may change over time based on the primary significance attributed by the consuming public on the term.

Here, GSMI presented extensive evidence, consisting of empirical survey evidence, long periods of advertisement materials, and other documentary and testimonial evidence, and proved that “GINEBRA” has become a distinctive mark based on public perception under the primary significance test. An ordinary Filipino purchaser will not stop and translate the Spanish term “GINEBRA” to its English equivalent; rather, when the term



I also do not agree with the *ponencia*'s conclusion that TDI should be held liable for trademark infringement and the manner said conclusion was arrived at.

Again, in determining the resemblance of the competing marks using the Dominancy Test, the *ponencia* only needs to assess the prevalent or dominant features of the **marks**.<sup>98</sup> Verily, there is no need to examine how the marks actually appear in their labels or on the products, or to examine the trade dress of the products concerned since this manner of comparison is only relevant under the Holistic Test. While this manner of comparison may be relevant in determining unfair competition because it entails an evaluation of "confusing similarity in the general **appearance of the goods**," I submit that this is not relevant in evaluating the existence of likelihood of confusion in the context of trademark infringement because what should be scrutinized is "the degree of similarity between the plaintiff's mark and the defendant's marks."

In this regard, I also do not agree with Associate Justice Mario V. Lopez's findings that the addition of the word "SAN MIGUEL" and "KAPITAN" in the marks of GSMI and TDI, respectively, eliminates likelihood of confusion.<sup>99</sup> As already discussed, following the Court's ruling in *Seri Somboonsakdikul*, the dominant feature of both marks is the first word "GINEBRA."

In any case, however, for reasons already discussed in the previous section, I still cannot agree with the *ponencia*'s conclusion that TDI should be held liable for trademark infringement. **Again, although GSMI had existing registrations containing as dominant feature the word element "GINEBRA," all these registrations disclaimed exclusive use over the term "GINEBRA."** Verily, the first element of trademark infringement is absent. Therefore, TDI should NOT be held liable for trademark infringement.

Likewise, while I agree that TDI is liable for unfair competition, I disagree with how the *ponencia* arrived at the conclusion that the first element of unfair competition is present.

Parsed, I do not agree that in finding that the first element of unfair competition (*i.e.*, confusing similarity in the general appearance of the goods) is present, the discussion should be limited to the fact that both gin products of GSMI and TDI **bear the same distinctive mark "GINEBRA."**<sup>100</sup> Verily, it takes more than just the use of the same marks, devices or words, whether

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"GINEBRA" is mentioned, the ordinary consumer immediately associates it with the gin product of GSMI. Indeed, based on the primary significance test, the term "GINEBRA" has now become a descriptive term, which is registrable under the doctrine of secondary meaning.

<sup>98</sup> *Seri Somboonsakdikul v. Orlane S.A.*, supra note 33.

<sup>99</sup> Concurring and Dissenting Opinion of Associate Justice Mario V. Lopez, p. 16.

<sup>100</sup> *Ponencia*, p. 82.





registered with the IPO or not, to give the gin products of TDI the **same general appearance** as the gin products of GSMI. Nonetheless, as discussed in the previous section, I clarify that I concur with the conclusion that the first and second elements of unfair competition are present.

All told, I submit that contrary to the *ponencia*'s findings, TDI should be held liable for unfair competition only. Accordingly, the damages discussed in the *ponencia* should be imposed against TDI for committing unfair competition, not trademark infringement. In any case, Section 168.4 of IP Code provides that the remedies for trademark infringement apply *mutatis mutandis* to unfair competition.

For reference, according to the *ponencia*, GSMI is not entitled to actual or compensatory damages as GSMI failed to substantiate its claim of loss of profit or sales due to the actions of TDI.<sup>101</sup> The *ponencia* finds that TDI must pay GSMI the amount of ₱300,000.00 as temperate damages to vindicate the rights of GSMI, and attorney's fees in the amount of ₱200,000.00.<sup>102</sup> The *ponencia* deleted the award of exemplary damages because GSMI failed to establish that TDI's violation was committed in "wanton, fraudulent, oppressive or malevolent manner."<sup>103</sup>

I agree that GSMI is entitled to temperate damages.

While the amount of pecuniary loss on the part of GSMI cannot be proved with certainty, the fact that there has been loss on GSMI's part was clearly established. Accordingly, temperate damages was accurately awarded in lieu of actual or compensatory damages.<sup>104</sup>

The amount of temperate damages is "usually left to the discretion of the courts but the same should be reasonable, bearing in mind that the temperate damages should be more than nominal but less than compensatory."<sup>105</sup> To my mind, an award of temperate damages amounting to ₱300,000.00 is just and reasonable considering that the second element of intent to deceive the public and to defraud a competitor was not actually proven, but only presumed from the circumstances of the case.

I concur that GSMI is entitled to attorney's fees in the amount of ₱200,000.00. Lastly, I likewise agree that all unfairly competing products of TDI should be destroyed or be disposed of outside the channels of commerce.<sup>106</sup>

In view of the foregoing, while I concur with the *ponencia* that GSMI should be allowed to register its "GINEBRA" marks for gin products moving forward, to the exclusion of other identical or confusingly similar marks such

<sup>101</sup> Id. at 87.

<sup>102</sup> Id. at 87-88.

<sup>103</sup> Id. at 88.

<sup>104</sup> See *Yamauchi v. Suñiga*, 830 Phil. 122 (2018).

<sup>105</sup> Id.

<sup>106</sup> *Ponencia*, p. 88.



as TDI's "GINEBRA KAPITAN," I disagree that TDI should be held liable for trademark infringement. On the other hand, I agree that TDI committed unfair competition.

**ACCORDINGLY**, I vote as follows:

1. In G.R. No. 196372, the Petition for Review is **GRANTED**. The Decision dated August 13, 2010 and Resolution dated March 25, 2011 of the Court of Appeals in CA-G.R. SP No. 112005 are **REVERSED and SET ASIDE**. The Director of Bureau of Trademarks is **DIRECTED** to:
  - a. **REINSTATE** Ginebra San Miguel Inc.'s Trademark Application No. 4-2003-0001682 for the mark "GINEBRA" covering Class 33 goods, specifically gin;
  - b. **CAUSE THE PUBLICATION** of Ginebra San Miguel Inc.'s Trademark Application No. 4-2003-0001682 pursuant to Section 133.2 of Republic Act No. 8293; and thereafter,
  - c. **ACCORD DUE COURSE** to Ginebra San Miguel Inc.'s Trademark Application No. 4-2003-0001682.
2. In G.R. Nos. 210224 and 219632, the petitions are **PARTIALLY GRANTED**. The Decision dated August 15, 2013 and Resolution dated November 22, 2013, in CA-G.R. SP No. 127255, and the Decision dated November 7, 2014 and Resolution dated July 28, 2015, in CA G.R. CV No. 100332, of the Court of Appeals are **PARTIALLY REVERSED**. Tanduay Distillers, Inc., is **NOT LIABLE** for Trademark Infringement, but is **LIABLE** for Unfair Competition.

Tanduay Distillers, Inc., shall **PAY** Ginebra San Miguel Inc.:

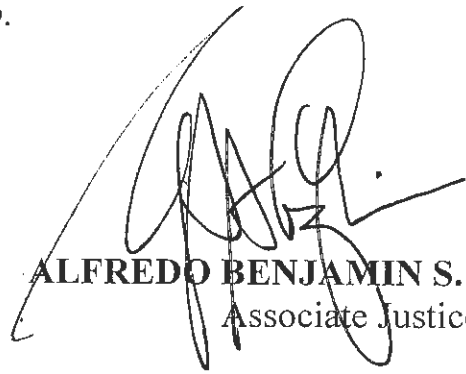
- a. Temperate damages in the amount of ₱300,000.00; and
- b. Attorney's fees in the amount of ₱200,000.00.

The other awards of damages against Tanduay Distillers, Inc. are **DELETED**.

3. In G.R. No. 216104, the petition is **DENIED**. The Decision dated July 23, 2014, and Resolution dated November 13,




2014 of the Court of Appeals, in CA G.R. SP No. 132441 are  
**AFFIRMED *in toto*.**



**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice

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