

[G.R. No. 48226. December 14, 1942.]

ANA L. ANG, *petitioner*, vs. **TORIBIO TEODORO**, *respondent*.

DECISION

Petitioner has appealed to this Court by certiorari to reverse the judgment of the Court of Appeals reversing that of the Court of First Instance of Manila and directing the Director of Commerce to cancel the registration of the trade-mark "Ang Tibay" in favor of said petitioner, and perpetually enjoining the latter from using said trade-mark on goods manufactured and sold by her.

Respondent Toribio Teodoro, at first in partnership with Juan Katindig and later as sole proprietor, has continuously used "Ang Tibay," both as a trade-mark and as a trade-name, in the manufacture and sale of slippers, shoes, and indoor baseballs since 1910. He formally registered it as a trade-mark on September 29, 1915, and as a trade-name on January 3, 1933. The growth of his business is a thrilling epic of Filipino industry and business capacity. Starting in an obscure shop in 1910 with a modest capital of P210 but with tireless industry and unlimited perseverance, Toribio Teodoro, then an unknown young man making slippers with his own hands but now a prominent business magnate and manufacturer with a large factory operated with modern machinery by a great number of employees, has steadily grown with his business to which he has dedicated the best years of his life and which he has expanded to such proportions that his gross sales from 1918 to 1938 aggregated P8,787,025.65. His sales in 1937 amounted to P1,299,343.10 and in 1938, P1,133,165.77. His expenses for advertisement from 1919 to 1938 aggregated P210,641.56.

Petitioner (defendant below) registered the same trade-mark "Ang Tibay" for pants and shirts on April 11, 1932, and established a factory for the manufacture of said articles in the year 1937. In the following year (1938) her gross sales amounted to P422,682.09. Neither the decision of the trial court nor that of the Court of Appeals shows how much petitioner has spent for advertisement. But respondent in his brief says that petitioner "was unable to prove that she had spent a single centavo advertising 'Ang Tibay' shirts and pants prior to 1938. In that year she advertised the factory which she had just built and it was when this was brought to the attention of the appellee that he consulted his attorneys and eventually brought the present suit."

The trial court (Judge Quirico Abeto presiding) absolved the defendant from the complaint, with costs against the plaintiff, on the grounds that the two trade-marks are dissimilar and are used on different and non-competing goods; that there had been no exclusive use of the trade-mark by the plaintiff; and that there had been no fraud in the use of the said trade-mark by the defendant because the goods on which it is used are essentially different from those of the plaintiff. The second division of the Court of Appeals, composed of Justices Bengson, Padilla, Lopez Vito, Tuason, and Alex Reyes, with Justice Padilla as ponente, reversed that judgment, holding that by uninterrupted and exclusive use since 1910 in the manufacture of slippers and shoes, respondent's trade-mark has acquired a secondary meaning; that the goods or articles on which the two trade-marks are used are similar or belong to the same class; and that the use by petitioner of said trade-mark constitutes a violation of sections 3 and 7 of Act No. 666. The defendant Director of Commerce did not appeal from the decision of the Court of Appeals.

First. Counsel for the petitioner, in a well-written brief, makes a frontal sledge-hammer attack on the validity of respondent's trade-mark "Ang Tibay." He contends that the phrase "Ang Tibay" as employed by the respondent on the articles manufactured by him is a descriptive term because, "freely translated in English," it means "strong, durable

lasting." He invokes section 2 of Act No. 666, which provides that words or devices which relate only to the name, quality, or description of the merchandise cannot be the subject of a trade-mark. He cites among others the case of *Baxter vs. Zuazua* (5 Phil., 160), which involved the trade-mark "Agua de Kananga" used on toilet water, and in which this Court held that the word "Kananga," which is the name of a well-known Philippine tree or its flower, could not be appropriated as a trade-mark any more than could the words "sugar," "tobacco," or "coffee." On the other hand, counsel for the respondent, in an equally well-prepared and exhaustive brief, contend that the words "Ang Tibay" are not descriptive but merely suggestive and may properly be regarded as fanciful or arbitrary in the legal sense. They cite several cases in which similar words have been sustained as valid trade-marks such as "Holeproof" for hosiery, "Ideal" for tooth brushes, and "Fashionknit" for neckties and sweaters.

We find it necessary to go into the etymology and meaning of the Tagalog words "Ang Tibay" to determine whether they are a descriptive term, i. e., whether they relate to the quality or description of the merchandise to which respondent has applied them as a trade-mark. The word "ang" is a definite article meaning "the" in English. It is also used as an adverb, a contraction of the word "anong" (what or how). For instance, instead of saying, "Anong ganda!" ("How beautiful!"), we ordinarily say, "Ang ganda!" *Tibay* is a root word from which are derived the verb *magpatibay* (to strengthen); the nouns *pagkamatibay* (strength, durability), *katibayan* (proof, support, strength), *katibay-tibayan* (superior strength); and the adjectives *matibay* (strong, durable, lasting), *napakatibay* (very strong), *kasintibay* or *magkasintibay* (as strong as, or of equal strength). The phrase "Ang Tibay" is an exclamation denoting admiration of strength or durability. For instance, one who tries hard but fails to break an object exclaims "Ang tibay!" ("How strong!") It may also be used in a sentence thus, "Ang tibay ng sapatos mo!" ("How durable your shoes are!") The phrase "ang tibay" is never used adjectively to define or describe an object. One does not say, "ang tibay sapatos" or "sapatos ang tibay" to mean "durable shoes," but "matibay na sapatos" or "sapatos na matibay."

From all of this we deduce that "Ang Tibay" is not a descriptive term within the meaning of the Trade-Mark Law but rather a fanciful or coined phrase which may properly and legally be appropriated as a trade-mark or trade-name. In this connection we do not fail to note that when the petitioner herself took the trouble and expense of securing the registration of these same words as a trademark of her products she or her attorney as well as the Director of Commerce was undoubtedly convinced that said words (Ang Tibay) were not a descriptive term and hence could be legally used and validly registered as a trade-mark. It seems stultifying and puerile for her now to contend otherwise, suggestive of the story of sour grapes. Counsel for the petitioner says that the function of a trade-mark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied. That is correct, and we find that "Ang Tibay," as used by the respondent to designate his wares, had exactly performed that function for twenty-two years before the petitioner adopted it as a trade-mark in her own business. Ang Tibay shoes and slippers are, by association, known throughout the Philippines as products of the Ang Tibay factory owned and operated by the respondent Toribio Teodoro.

Second. In her second assignment of error petitioner contends that the Court of Appeals erred in holding that the words "Ang Tibay" had acquired a secondary meaning. In view of the conclusion we have reached upon the first assignment of error, it is unnecessary to apply here the doctrine of "secondary meaning" in trade-mark parlance. This 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.

(G. & C. Merriam Co. vs. Saalfeld, 198 F., 369, 373.) We have said that the phrase "Ang Tibay," being neither geographic nor descriptive, was originally capable of exclusive appropriation as a trade-mark. But were it not so, the application of the doctrine of secondary meaning made by the Court of Appeals could nevertheless be fully sustained because, in any event, by respondent's long and exclusive use of said phrase with reference to his products and his business, it has acquired a proprietary connotation. (Landers, Frary, and Clark vs. Universal Cooler Corporation, 85 F. [2d], 46.)

Third. Petitioner's third assignment of error is, that the Court of Appeals erred in holding that pants and shirts are goods similar to shoes and slippers within the meaning of sections 3 and 7 of Act No. 666. She also contends under her fourth assignment of error (which we deem convenient to pass upon together with the third) that there can neither be infringement of trade-mark under section 3 nor unfair competition under section 7 through her use of the words "Ang Tibay" in connection with pants and shirts, because those articles do not belong to the same class of merchandise as shoes and slippers.

The question raised by petitioner involve the scope and application of sections 3, 7, 11, 13, and 20 of the Trade-Mark Law (Act No. 666). Section 3 provides that "any person entitled to the exclusive use of a trade-mark to designate the origin or ownership of goods he has made or deals in, may recover damages in a civil action from any person who has sold goods of a similar kind, bearing such trade-mark . . . The complaining party . . . may have a preliminary injunction, . . . and such injunction upon final hearing, if the complainant's property in the trade-mark and the defendant's violation thereof shall be fully established, shall be made perpetual, and this injunction shall be part of the judgment for damages to be rendered in the same cause." Section 7 provides that any person who, in selling his goods, shall give them the general appearance of the goods of another either in the wrapping of the packages, or in 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 the complainant, shall be guilty of unfair competition, and shall be liable to an action for damages and to an injunction, as in the cases of trade-mark infringement under section 3. Section 11 requires the applicant for registration of a trade-mark to state, among others, "*the general class of merchandise to which the trade-mark claimed has been appropriated.*" Section 13 provides that no alleged trade-mark or trade-name shall be registered which is identical with a registered or known trade-mark owned by another and appropriate to the *same class of merchandise*, or which so nearly resembles another person's lawful trade-mark or trade-name as to be likely to cause confusion or mistake in the mind of the public, or to deceive purchasers. And section 20 authorizes the Director of Commerce to establish *classes of merchandise* for the purpose of the registration of trade-marks and to determine the particular description of articles included in each class; it also provides that "an application for registration of a trade-mark shall be registered only for one *class of articles* and only for the particular description of articles mentioned in said application."

We have underlined the key words used in the statute: "goods of a similar kind," "general class of merchandise," "same class of merchandise," "classes of merchandise," and "class of articles," because it is upon their implications that the result of the case hinges. These phrases, which refer to the same thing, have the same meaning as the phrase "merchandise of the same descriptive properties" used in the statutes and jurisprudence of other jurisdictions.

The burden of petitioner's argument is that under sections 11 and 20 the registration by respondent of the trade-mark "Ang Tibay" for shoes and slippers is no safeguard against its being used by petitioner for pants and shirts because the latter do not belong to the same class of merchandise or articles as the former; that she cannot be held guilty of infringement of trade-mark under section 3 because respondent's mark is not a

valid trade-mark, nor has it acquired a secondary meaning; that pants and shirts do not possess the same descriptive properties as shoes and slippers; that neither can she be held guilty of unfair competition under section 7 because the use by her of the trade-mark "Ang Tibay" upon pants and shirts is not likely to mislead the general public as to their origin or ownership; and that there is no showing that she is unfairly or fraudulently using the mark "Ang Tibay" against the respondent. If we were interpreting the statute for the first time and in the first decade of the twentieth century, when it was enacted, and were to construe it strictly and literally, we might uphold petitioner's contentions. But law and jurisprudence must keep abreast with the progress of mankind, and the courts must breathe life into the statutes if they are to serve their purpose. Our Trade-mark Law, enacted nearly forty years ago, has grown in its implications and practical application, like a constitution, in virtue of the life continually breathed into it. It is not of merely local application; it has its counterpart in other jurisdictions of the civilized world from whose jurisprudence it has also received vitalizing nourishment. We have to apply this law as it has grown and not as it was born. Its growth or development abreast with that of sister statutes and jurisprudence in other jurisdictions is reflected in the following observation of a well-known author:

"This fundamental change in attitude first manifested itself in the year 1915-1917. Until about then, the courts had proceeded on the theory that the same trade-mark, used on unlike goods, could not cause confusion in trade and that, therefore, there could be no objection to the use and registration of a well-known mark by a third party for a different class of goods. Since 1916 however, a growing sentiment began to arise that in the selection of a famous mark by a third party, there was generally the hidden intention to 'have a free ride' on the trade-mark owner's reputation and good will." (Derenberg, Trade-Mark Protection & Unfair Trading, 1936 edition, p. 409.)

In the present state of development of the law on Trade-Marks, Unfair Competition, and Unfair Trading, the test employed by the courts to determine whether noncompeting goods are or are not of the same class is confusion as to the origin of the goods of the second user. Although two noncompeting articles may be classified under two different classes by the Patent Office because they are deemed not to possess the same descriptive properties, they would, nevertheless, be held by the courts to belong to the same class if the simultaneous use on them of identical or closely similar trade-marks would be likely to cause confusion as to the origin, or personal source, of the second user's goods. They would be considered as not falling under the same class only if they are so dissimilar or so foreign to each other as to make it unlikely that the purchaser would think the first user made the second user's goods.

Such construction of the law is induced by cogent reasons of equity and fair dealing. The courts have come to realize that there can be unfair competition or unfair trading even if the goods are noncompeting, and that such unfair trading can cause injury or damage to the first user of a given trade-mark, first, by prevention of the natural expansion of his business and, second, by having his business reputation confused with and put at the mercy of the second user. When noncompetitive products are sold under the same mark, the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark created by its first user, inevitably results. The original owner is entitled to the preservation of the valuable link between him and the public that has been created by his ingenuity and the merit of his wares or services. Experience has demonstrated that when a well-known trade-mark is adopted by another even for a totally different class of goods, it is done to get the benefit of the reputation and advertisements of the originator of said mark, to convey to the public a false impression of some supposed connection between the manufacturer of the article sold under the original mark and the new articles being tendered to the public under the same or similar mark. As trade has

developed and commercial changes have come about, the law of unfair competition has expanded to keep pace with the times and the element of strict competition in itself has ceased to be the determining factor. The owner of a trade-mark or trade-name has a property right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods. The modern trend is to give emphasis to the unfairness of the acts and to classify and treat the issue as a fraud.

A few of the numerous cases in which the foregoing doctrines have been laid down in one form or another will now be cited: (1) In *Teodoro Kalaw Ng Khe vs. Lever Brothers Company* (G. R. No. 46817), decided by this Court on April 18, 1941, the respondent company (plaintiff below) was granted injunctive relief against the use by the petitioner of the trade-mark "Lux" and "Lifebuoy" for hair pomade, they having been originally used by the respondent for soap; the Court held in effect that although said articles are noncompetitive, they are similar or belong to the same class. (2) In *Lincoln Motor Co. vs. Lincoln Automobile Co.* (44 F. [2d], 812), the manufacturer of the well-known Lincoln automobile was granted injunctive relief against the use of the word "Lincoln" by another company as part of its firm name. (3) The case of *Aunt Jemima Mills Co. vs. Rigney & Co.* (247 F., 407), involved the trade-mark "Aunt Jemima," originally used on flour, which the defendant attempted to use on syrup, and there the court held that the goods, though different, are so related as to fall within the mischief which equity should prevent. (4) In *Tiffany & Co. vs. Tiffany Productions, Inc.* (264 N. Y. S., 459; 23 Trade-mark Reporter, 183), the plaintiff, a jewelry concern, was granted injunctive relief against the defendant, a manufacturer of motion pictures, from using the name "Tiffany." Other famous cases cited on the margin, wherein the courts granted injunctive relief, involved the following trade-marks or trade-names. "Kodak," for cameras and photographic supplies, against its use for bicycles; "Penslar," for medicines and toilet articles, against its use for cigars; "Rolls-Royce," for automobiles, against its use for radio tubes; "Vogue," as the name of a magazine, against its use for hats; "Kotex," for sanitary napkins, against the use of "Rotex" for vaginal syringes; "Sun-Maid," for raisins, against its use for flour; "Yale," for locks and keys, against its use for electric flashlights; and "Waterman," for fountain pens, against its use for razor blades.

Against this array of famous cases, the industry of counsel for the petitioner has enabled him to cite on this point only the following cases: (1) *Mohawk Milk Products vs. General Distilleries Corporation* (95 F. [2d], 334), wherein the court held that gin and canned milk and cream do not belong to the same class; (2) *Fawcett Publications, Inc. vs. Popular Mechanics Co.* (80 F. [2d], 194), wherein the court held that the words "Popular Mechanics" used as the title of a magazine and duly registered as a trade-mark were not infringed by defendant's use of the words "Modern Mechanics and Inventions" on a competitive magazine, because the word "mechanics" is merely a descriptive name; and (3) *Oxford Book Co. vs. College Entrance Book Co.* (98 F. [2d], 688), wherein the plaintiff unsuccessfully attempted to enjoin the defendant from using the word "Visualized" in connection with history books, the court holding that said word is merely descriptive. These cases cited and relied upon by petitioner are obviously of no decisive application to the case at bar.

We think reasonable men may not disagree that shoes and shirts are not as unrelated as fountain pens and razor blades, for instance. The mere relation or association of the articles is not controlling. As may readily be noted from what we have heretofore said, the proprietary connotation that a trade-mark or trade-name has acquired is of more paramount consideration. The Court of Appeals found in this case that by uninterrupted and exclusive use since 1910 of respondent's registered trade-mark on slippers and shoes manufactured by him, it has come to indicate the origin and ownership of said goods. It is certainly not farfetched to surmise that the selection by petitioner of the same trade-mark

for pants and shirts was motivated by a desire to get a free ride on the reputation and selling power it has acquired at the hands of the respondent. As observed in another case, the field from which a person may select a trade-mark is practically unlimited, and hence there is no excuse for impinging upon or even closely approaching the mark of a business rival. In the unlimited field of choice, what could have been petitioner's purpose in selecting "Ang Tibay" if not for its fame?

Lastly, in her fifth assignment of error petitioner seems to make a frantic effort to retain the use of the mark "Ang Tibay." Her counsel suggests that instead of enjoining her from using it, she may be required to state in her labels affixed to her products the inscription: "Not manufactured by Toribio Teodoro." We think such practice would be unethical and unworthy of a reputable businessman. To the suggestion of petitioner, respondent may say, not without justice though with a tinge of bitterness: "Why offer a perpetual apology or explanation as to the origin of your products in order to use my trade-mark instead of creating one of your own?" On our part may we add, without meaning to be harsh, that a self-respecting person does not remain in the shelter of another but builds one of his own.

The judgment of the Court of Appeals is affirmed, with costs against the petitioner in the three instances. So ordered.