

EN BANC

[G.R. No. 196372. August 9, 2022.]

GINEBRA SAN MIGUEL, INC., *petitioner*, vs. **DIRECTOR OF THE BUREAU OF TRADEMARKS,** *respondent*.

[G.R. No. 210224. August 9, 2022.]

TANDUAY DISTILLERS, INC., *petitioner*, vs. **GINEBRA SAN MIGUEL, INC.,** *respondent*.

[G.R. No. 216104. August 9, 2022.]

TANDUAY DISTILLERS, INC., *petitioner*, vs. **GINEBRA SAN MIGUEL, INC.,** *respondent*.

[G.R. No. 219632. August 9, 2022.]

TANDUAY DISTILLERS, INC., *petitioner*, vs. **GINEBRA SAN MIGUEL, INC.,** *respondent*.

DECISION

GESMUNDO, C.J p:

In these consolidated Petitions, **1** the Court undertakes to settle the common issue of whether the term "GINEBRA" is a generic mark, or a distinctive mark that may be registered by Ginebra San Miguel, Inc. (*GSMI*).

The antecedents of each case are as follows:

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On February 21, 2003, *GSMI* **2** filed with the Intellectual Property Office (*IPO*) an application for the registration of the mark "GINEBRA" for its gin products. The application was docketed as Trademark Application No. 4-2003-0001682, **3** and referred to the Bureau of Trademarks (*BOT*) for examination. **4** The word mark is as follows: **5**

GINEBRA

On August 1, 2003, the *BOT* examiner issued Paper No. **2** **6** which required *GSMI* to provide, among others, the English equivalent of the mark "GINEBRA." It also informed *GSMI* that the mark sought to be registered is identical to five (5) other marks, namely, "Ginebra Agila," "Ginebra Grande," "Ginebra Heneral," "Ginebra Pinoy," and "Ginebra Primero," for which reason registration of "GINEBRA" as trademark is proscribed under Section 123.1 (d) of Republic Act No. 8293 (R.A. No. 8293), otherwise known as the Intellectual Property Code of the Philippines (*IP Code*).

GSMI filed its response to Paper No. 2, dated September 24, 2003, **7** stating that the word "GINEBRA" is the Spanish term for "gin." However, by itself and through its predecessors, *GSMI* has continuously been using the term as the dominant feature of its trademarks in the manufacture, distribution, marketing, and sale of its gin products throughout the Philippines since 1834. *GSMI* recounted the genesis of its use of the mark "GINEBRA," as follows:

The origin of the gin product currently being produced by GSMI is the gin product known as "Ginebra San Miguel de Ayala" which had been manufactured by Destilerias Ayala, Inc. since 1834. In 1924, La Tondeña Incorporada ("LTI") acquired the Ayala distillery and continued producing said gin product under the brand "Ginebra San Miguel." In 1986, LTI was merged with San Miguel Corporation and renamed La Tondeña Distillers, Inc. ("LTDI"). LTDI continued to manufacture and produce the "Ginebra San Miguel" gin product and its other variants. In March 2003, LTDI was renamed Ginebra San Miguel, Inc. as a tribute to the "Ginebra San Miguel" gin product, which is the oldest brand of Philippine liquor in existence. The "GINEBRA" word mark therefore has been a constant dominant component of the applicant's gin product brand since 1834 and has long since become distinctive and exclusively associated with applicant. **8**

GSMI claimed that through its extensive, consistent, and continuous use of the word "GINEBRA" as the dominant feature of its trademarks, the term had become distinctive of, and associated by the public exclusively with, its gin products. It also cited an independent survey wherein ninety percent (90%) of the more than 6 million gin drinkers in the Greater Manila Area, North Luzon and South Luzon associated the mark "GINEBRA" with "GINEBRA SAN MIGUEL," "SAN MIGUEL," or "La Tondeña." Such survey result allegedly shows that the public has indeed identified the mark "GINEBRA" with GSMI and its gin products. **9**

In addition, GSMI pointed out that its predecessor used "GINEBRA" as the dominant feature of its gin products since December 1, 1945, whereas the other applicants' earliest filing date was only on October 10, 1988. Hence, all of them are mere imitations of GSMI's "GINEBRA" mark. Furthermore, inasmuch as GSMI is the prior user and registrant of the trademarks which use the word "GINEBRA," and considering further that the term had become distinctive of GSMI's gin products, GSMI enjoys preferential and superior right to use the term as trademark, to the exclusion of others. **10** The registration of the "GINEBRA" mark in GSMI's favor will allegedly not cause confusion to the public. On the contrary, it is the registration of the 5 marks of the other companies that will likely confuse and mislead the public, in view of the said survey results. Hence, it is the registration of those 5 other marks that should be refused or cancelled. **11**

The BOT and IPO Rulings

On January 3, 2007, the BOT examiner issued Paper No. 6, **12** denominated as Final Rejection, stating that GSMI's application for registration is finally rejected on the ground that the mark "GINEBRA" is a generic term. GSMI appealed to the Director of the BOT, but this recourse proved to be unsuccessful. **13** Its subsequent appeal to the IPO Director General fared no better.

In his Decision **14** dated December 7, 2009, the IPO Director General dismissed GSMI's appeal. Citing the dictionary, he noted that the word "gin" is the English translation of the Spanish word "GINEBRA." **15** It is a generic term and the common name given to alcoholic spirits distilled from grain and flavored with juniper berries. Correspondingly, generic words may not be registered and are considered to be in the public domain and free for all to use. Since the generic term "gin" cannot be registered, the word "GINEBRA" may not also be registered. Moreover, "GINEBRA" cannot acquire secondary meaning because the doctrine of secondary meaning applies only to descriptive marks under Sec. 123.2 of R.A. No. 8293. **16**

Undeterred, GSMI filed a petition for review with the Court of Appeals (CA) under Rule 43 of the Rules of Court, docketed as CA-G.R. SP No. 112005.

The CA Ruling

In its August 13, 2010 Decision, **17** the CA dismissed the appeal. It held that since the English translation of the Spanish word "GINEBRA" is "gin," its use in gin products would be merely "indicative and descriptive of the merchandise or product designated." "GINEBRA" is a generic term which cannot be appropriated for GSMI's exclusive use because it would unjustly deprive other gin dealers of the right to use the same with reference to their merchandise. **18**

The CA also did not apply the doctrine of secondary meaning under Sec. 123.1 (j) in relation to Sec. 123.2 of the IP Code. It reasoned that even if "GINEBRA" is not the direct Spanish counterpart of the English word "gin" but rather the Spanish equivalent of "genever" or "jenever," the juniper berry-flavored grain spirit which originated in the Netherlands in the 17th century and a kind of gin, it is still not registrable. Such meaning does not change the fact that "GINEBRA" and "gin" refer to the same object. Being exclusively generic, the doctrine of secondary meaning does not apply. Besides, for the doctrine to apply, the use of the mark must have been exclusive. This is not the case here, where other manufacturers of gin had similarly used the mark "GINEBRA" as part of the composite marks for their products. The lack of exclusivity in the use of "GINEBRA" has prevented the word from becoming distinctive or acquiring a secondary meaning that would bar others from using the same mark in their gin or alcoholic beverage products. **19**

Further, according to the CA, it would appear that the public associates "GINEBRA" with gin products in general and distinguish them from one another by the composite marks on their bottle labels. Despite the proliferation of various gin product variants by these manufacturers, the general gin-buying public is not likely to be confused or deceived because they are buying by brand, according to their taste, as opposed to catsup, for example, which is usually picked up from a store shelf. **20**

Finally, the CA agreed that the Doctrine of Foreign Equivalents **21** should be applied, quoting with approval the following ruling of the Director of the BOT:

x x x "Thus, a mark that is generic in a foreign language is still unregistrable even if the language is not predominantly spoken in the country where the registration is sought.

Applying the doctrine of foreign equivalents in determining whether a foreign term is entitled to registration, the test is whether, to those buyers familiar with the foreign language, the word would have a descriptive or generic connotation. It is, therefore, irrelevant whether majority of Filipinos do not speak fluent Spanish. It is only necessary that the foreign word is susceptible of a generic translation to a group of buyers even vaguely familiar with the Spanish language. Absolute unanimity is not required. **22**

The dispositive portion of the CA decision states:

WHEREFORE, the instant petition is **DISMISSED**. The assailed December 7, 2009 Decision rendered by the IPO Director General in Appeal No. 04-09-01 is hereby **AFFIRMED**.

SO ORDERED. 23

GSMI moved for reconsideration, but the CA denied it through its Resolution **24** dated March 25, 2011. Hence, the present petition.

The petition was initially denied outright by the Court's Second Division in its Resolution **25** dated June 22, 2011. GSMI filed a Motion for Reconsideration, **26** and subsequently a motion to refer the case to the Court *En Banc*. **27** In the meantime, the case was transferred to the Court's Third Division, which later issued a Resolution **28** dated October 17, 2011 denying both motions.

On December 28, 2011, GSMI filed a Manifestation with Motion for Relief from Judgment, **29** seeking the reconsideration of the Court's June 22, 2011 and October 17, 2011 Resolutions, and the referral of the case to the Court *En Banc* for a decision on the merits. The Court's Third Division later referred the case to the Court *En Banc*. On June 26, 2018, the Court *En Banc* issued a Resolution **30** accepting the case, treating GSMI's motion for relief from judgment as a second motion for reconsideration, and reinstating the petition, among others.

G.R. Nos. 210224 & 219632

On August 15, 2003, GSMI filed a Complaint **31** (With Application for Temporary Restraining Order and/or Writ of Preliminary Injunction) for unfair competition, infringement, and damages against Tanduay Distillers, Inc. (*TDI*) before the Regional Trial Court (*RTC*) of Mandaluyong City, docketed as IP Case No. MC03-01. GSMI claimed that TDI used the mark "GINEBRA" in manufacturing, distributing and marketing its gin product "GINEBRA KAPITAN." The use of the said mark, coupled with the colorable imitation of GSMI's bottle and label designs for "GINEBRA," caused confusion to and deceived the general public, as they are made to believe that "GINEBRA KAPITAN" was being manufactured, distributed, and sold by GSMI. **32**

GSMI cited an independent survey conducted by an internationally-accredited market research firm covering the Greater Manila Area, North, and South Luzon, which found that 90% of the respondents, representing some six (6) million gin drinkers, associated the mark "GINEBRA" with "Ginebra San Miguel," "San Miguel," or "La Tondeña." Moreover, eighty-two percent (82%) and sixty-five percent (65%) of those respondents mistakenly identified "GINEBRA KAPITAN" as "GINEBRA," "GINEBRA SAN MIGUEL," "SAN MIGUEL," or "GINEBRA BLUE," when shown the back view and front view, respectively, of "GINEBRA KAPITAN." **33** Thus, GSMI prayed that TDI be restrained from manufacturing, distributing, or using in commerce the mark "GINEBRA," or otherwise prevented from dealing in gin products which have the general appearance of, or are confusingly similar with, GSMI's gin products. **34**

In its presentation of evidence during the hearing for the issuance of a TRO, GSMI established, among others, that it has the following registered trademarks for its gin products under Class 33:

(i) Mark: GINEBRA SAN MIGUEL (word mark)

Reg. No.: 7484 (Supplemental Register)

Reg. Date: 18 September 1986

Term: Twenty years, or until 18 September 2006

Date of First Use: 01 December 1945

(ii) Mark: GINEBRA SAN MIGUEL (word mark)

Reg. No.: 42568

Reg. Date: 19 January 1989

Term: Twenty years, or until 19 January 2009

Date of First Use: 01 December 1945

(iii) Mark: GINEBRA S. MIGUEL 65

Reg. No.: 53668

Reg. Date: 13 October 1992

Term: Twenty years, or until 13 October 2012

Date of First Use: 09 May 1990

(iv) Mark: GINEBRA SAN MIGUEL

Reg. No.: 001389

Reg. Date: 13 October 1993

Term: Twenty years, or until 13 October 2013

Date of First Use: 05 April 1949

(v) Mark: LA TONDEÑA CLIQ! GINEBRA MIX & STYLIZED LETTERS LTD. WITH CROWN DEVICE

Reg. No.: 41996113597

Reg. Date: 23 July 2001

Term: Twenty years, or until 23 July 2021

Date of First Use: 04 September 1996 **35**

According to GSMI, "GINEBRA" is the dominant feature of these trademarks, and that GSMI, by itself and through its predecessors-in-interest, has been continuously marketing and distributing throughout the Philippines the said trademarks since 1934, as evidenced by the special issue of the Manila Chronicle dated December 31, 1968. **36**

The RTC granted GSMI's prayer for a TRO, and later, a writ of preliminary injunction, on the ground that GSMI had sufficiently established its right of prior use and registration of the mark "Ginebra" as a "dominant feature of its trademark." **37** TDI assailed the injunction order before the CA, and later, with this Court in G.R. No. 164324. **38** On August 14, 2009, the Court rendered a decision declaring the writ of preliminary injunction void on the ground that it disposes of the case on the merits as it effectively enjoined the use of the word "GINEBRA" by TDI without the benefit of a full-blown trial. In addition, GSMI failed to submit proof that it will suffer damage that is irreparable and incapable of pecuniary estimation. **39**

Meanwhile, the case before the RTC proceeded to trial.

The RTC Ruling

On July 25, 2012, the RTC rendered a Decision **40** dismissing GSMI's complaint. It held that "GINEBRA" is a generic term which cannot be appropriated, and that its use, no matter how long, can never ripen into a secondary meaning under the trademark law. The name can never be descriptive for a gin product for the reason that "GINEBRA" is just the Spanish translation that is synonymous to the word "gin." Basic is the rule that the use of a generic trade name is always conditional, *i.e.*, subject to the limitation that the registrant does not acquire the exclusive right to the descriptive or generic term or word. **41** In addition, the name "GINEBRA" has not acquired a secondary meaning since GSMI did not use it to the exclusion of others. Documentary evidence presented by TDI showed that other companies have used "GINEBRA" as part of their composite trademark, **42** albeit their certificates of registration were later on cancelled by the IPO. For these reasons, the RTC held that TDI may not be held liable for trademark infringement.

The RTC also applied both the dominancy test and holistic test in ruling that there was no unfair competition. It noted that the dominant feature of GSMI's label is not the word "GINEBRA" but the image of the archangel wielding a sword against a fallen devil which occupies almost 70% of the entire label. The words "GINEBRA S. MIGUEL," on the other hand, were in relatively small and thin fonts using black color on white background and occupy only about 10 to 15% of the entire label. On the other hand, the dominant feature of TDI's label is the composite mark "GINEBRA KAPITAN," which is strategically placed in the middle of the label to emphasize the name of the product, and occupies almost 35% of the entire label. **43** Applying the holistic test, the RTC held that the labels

and total packaging of the competing products would not likely cause confusion to the consuming public. While both bottles are transparent, the similarity ends there. **44**

Finally, the RTC declared the survey evidence presented by GSMI as hearsay and self-serving. **45** The dispositive portion of the RTC decision states:

WHEREFORE, premises considered, judgment is hereby rendered **DISMISSING** the instant complaint for trademark infringement and unfair competition for lack of merit.

No pronouncement as to cost.

SO ORDERED. 46

GSMI filed a motion for reconsideration but it was denied by the RTC for lack of merit. **47** GSMI consequently filed a notice of appeal, but it was also denied by the RTC in its Order dated October 31, 2012 for being a wrong mode of appeal. **48** However, upon GSMI's motion for reconsideration, the RTC issued an Order dated 14 February 2013 giving due course to GSMI's notice of appeal on the grounds of liberality and substantial justice. **49** Consequently, GSMI's appeal was routinely elevated to the CA and docketed as CA-G.R. CV No. 100332.

Meanwhile, GSMI filed an *Ad Cautelam* Motion for Extension of Time to File Petition for Review under Rule 43 **50** with the CA following the RTC order denying its notice of appeal. The CA granted the motion, and GSMI eventually filed its petition, docketed as CA-G.R. SP No. 127255.

Later, in CA-G.R. No. 100332, GSMI filed a Manifestation with Motion for Consolidation **51** to consolidate CA-G.R. CV No. 100332 with CA-G.R. SP No. 127255. However, at the time, a decision had already been rendered in CA-G.R. SP No. 127255. Thus, the CA in CA-G.R. No. 100332 continued to adjudicate the ordinary appeal separately.

CA-G.R. SP No. 127255

In CA-G.R. SP No. 127255, the CA Special Thirteenth Division disposed of the issues of whether GSMI had acquired, by prior adoption and use, the exclusive ownership of the word "GINEBRA," and whether TDI is guilty of trademark infringement and unfair competition. In its Decision dated August 15, 2013, **52** it ruled in favor of GSMI.

The CA held that GSMI had sufficiently established its claim that it had been using the word "GINEBRA" in its gin products over a long period of time such that, to the public, the word is already associated with GSMI's gin product. **53** It upheld GSMI's evidence showing that the name "GINEBRA" is the dominant feature of its trademarks and bottle designs, and that GSMI's gin products bearing this name have been marketed and distributed by GSMI and its predecessors since 1934. The CA also recognized news articles that spoke of "GINEBRA SAN MIGUEL" and advertising materials of GSMI's gin products that used the name "GINEBRA." **54** On the other hand, the CA noted that prior to the introduction of "GINEBRA KAPITAN" to the public by TDI, it was only GSMI that was known to carry the name "GINEBRA" in its gin products. **55** The CA concluded that GSMI has established the "GINEBRA" mark as the brand name of its gin products and not just a generic term for any liquor product, and that the primary significance of "GINEBRA" to the public is not its Spanish translation but GSMI's gin products. **56**

On the second issue, the CA, applying the dominancy test, held that there was trademark infringement. It observed that there are differences in the general appearance of "GINEBRA SAN MIGUEL" and "GINEBRA KAPITAN," but it cannot be denied that the dominant feature of both products is the mark "GINEBRA." The consuming public will just rely on the mark and not really take time to examine the differences between the two gin products. Moreover, the label of "GINEBRA KAPITAN" does not indicate that it is a product

of TDI. Hence, it is likely that the consuming public will be misled into thinking that it is a gin product of GSMI. **57** The CA also held that it cannot discount the probative value of the survey conducted on behalf of GSMI, which shows that most respondents associated the word "GINEBRA" with "GINEBRA SAN MIGUEL" and perceived the bottle of "GINEBRA KAPITAN" as a product of GSMI or La Tondeña. **58**

The CA finally held that TDI is liable for unfair competition. Having known that GSMI had been using the mark "GINEBRA" in its gin products and that "GINEBRA SAN MIGUEL" had obtained over the years a considerable number of loyal customers, it still chose to use the same mark in launching its gin product. TDI's use of the word "GINEBRA" as part of the trademark of its "GINEBRA KAPITAN" tended to show the intention to pass off their product as that of GSMI and ultimately ride on the popularity and established goodwill of GSMI. **59** The dispositive portion of the CA decision in CA-G.R. SP No. 127255 states:

WHEREFORE, in view of the foregoing premises, the instant petition for review is hereby GRANTED and the assailed July 25, 2012 Decision as well as the October 5, 2012 Order of the Regional Trial Court, Branch 211 of the National Capital Judicial Region stationed in Mandaluyong City in IP Case No. MC03-01 are hereby **REVERSED** and **SET ASIDE**. Accordingly, respondent Tanduay Distillers, Inc., is hereby ordered to:

1) Remove from the market all its gin products bearing the name/mark "GINEBRA" and all the infringing or unfairly competing goods in the possession of it, its employees, agents, representative, dealers including, all bottles, labels, signs, prints, packages, wrappers, receptacles and advertisements bearing the mark "GINEBRA" and that the same be destroyed or be disposed of outside the channels of commerce.

2) Cease and Desist from using the word/mark "GINEBRA" in any of its gin products.

3) Render an accounting of the gross sales of its "GINEBRA KAPITAN" products from the time of the filing of the instant case up to the finality of this judgment and to pay to GSMI an amount equivalent to fifty percent (50%) of the total gross sales.

4) Pay to GSMI P2,000,000.00 as exemplary damages and P500,000.00 as attorney's fees.

The instant case is hereby remanded to the court *a quo* for the purpose only of the accounting of the gross sales of TDI's "GINEBRA KAPITAN" and for the determination of the amount of actual and compensatory damages to be awarded to GSMI.

SO ORDERED. 60

CA-G.R. CV No. 100332

Preliminarily, the CA Special Sixteenth Division held that it had been unaware of the proceedings in CA-G.R. SP No. 127255 and it was only when GSMI's filed a manifestation with motion to consolidate on September 2, 2013 that it learned of the petition and Decision dated August 15, 2013 rendered in that case. Had it been promptly apprised, it would have ordered the mandatory consolidation of the cases. But since a decision has already been rendered in CA-G.R. SP No. 127255 and a motion for reconsideration of the decision denied, there is nothing more to consolidate. **61** In any

event, the CA Special Sixteenth Division opted to decide the case on the merits despite the procedural *faux pas* **62** committed by GSMI, in the interest of substantial justice. It observed that neither of the parties moved for the dismissal of the case, and that the issues are of utmost importance. It thus deemed it proper to dwell on the substantive issues, bearing in mind the ruling of the Former Special Thirteenth Division in CA-G.R. SP No. 127255. **63**

In its November 7, 2014 Decision, **64** the CA granted the appeal and reversed and set aside the RTC decision in IP Case No. MC03-01. It held that while it may be true that the word "GINEBRA" is a Spanish word for gin and thus generic, or descriptive of the class of alcoholic drinks called gin, it has acquired a secondary meaning under the trademark law. Since it has been used in the Philippines by GSMI and its predecessors-in-interest since the 1800s, it had become singularly synonymous with GSMI's gin products and GSMI itself as manufacturer, and identifiable not only by the consuming public but also by the general populace. Almost two (2) centuries of usage, effective media promotions and advertisements have bestowed upon "GINEBRA" a secondary meaning exclusively identifiable to GSMI and its gin products. **65** There had been attempts by other entities to register the mark "GINEBRA" or market their products bearing the said mark, but they have not actively utilized the term, or the consuming public was never saturated with their products containing the mark. **66**

The CA further disagreed with the RTC ruling that the survey results presented by GSMI are inadmissible for being hearsay. It held that the emerging trend in trademark disputes is the admissibility of survey results to determine if there is indeed confusion or dilution of a trademark, or if the mark is generic. In the United States, survey evidence which is historically considered hearsay, is now admissible under the Federal Rules of Evidence. **67** In the Philippines, the equivalent exception refers to the doctrine of independently relevant statements, *i.e.*, if the purpose of placing the statement on record is merely to establish the fact that the statement was made regardless of its truth or falsity, the hearsay rule does not apply. **68**

In this case, GSMI's expert witness, Mercedes Abad (*Abad*) did not testify to prove the truth or falsity of the answers given in the survey, but to establish that those statements were made by the survey respondents and that they constitute the latter's state of mind. Thus, even if the survey respondents were not presented in court, Abad's testimony should not be stricken off the record for being hearsay. **69** The CA observed that TDI tried to discredit the survey, but nonetheless failed to present countervailing evidence. **70**

The CA also held that TDI committed trademark infringement in its use of the mark "GINEBRA," and unfair competition in the way it designed and presented its bottle and label to consumers. **71** It observed the differences in the packaging and presentation of "GINEBRA SAN MIGUEL" and "GINEBRA KAPITAN," but ruled that confusing similarity of the products should not be dependent on these alone. Other factors should be taken into consideration, such as the widespread association of the mark "GINEBRA" with GSMI's gin products. **72** Here, the design of "GINEBRA KAPITAN" conveys the idea that it is a gin product of different type or flavor manufactured by GSMI, and not necessarily produced by TDI. Even discounting the features of the bottles and labels of the competing products and their dominant features, the mere use of "GINEBRA" in "GINEBRA KAPITAN" is sufficient to cause an average person to associate it with GSMI's gin product, and is a trademark infringement in itself. **73**

The CA added that the gravamen of the trademark infringement is the element of likelihood of confusion. In confusion of goods, the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In this case, the mark "GINEBRA" has been so deeply ingrained in the general psyche of the Filipinos that it is conveniently and exceptionally associated with GSMI's "GINEBRA SAN MIGUEL" gin products. It is not difficult to imagine an ordinary purchaser, even one

accustomed to drinking gin, to be confused into buying "GINEBRA KAPITAN" thinking that it is the "GINEBRA" product of GSMI. Hence, TDI should be held liable for trademark infringement and unfair competition. **74**

The dispositive portion of the CA decision in CA-G.R. No. 100332 took notice of, and quoted the dispositive portion of the Decision of the Special Thirteenth Division in CA-G.R. SP No. 127255, thus:

WHEREFORE, the foregoing premises considered, the Appeal is hereby **GRANTED**. Accordingly, the Decision dated 05 October 2012 of Branch 211, Regional Trial Court of Mandaluyong City, in IP Case No. MC03-01 is hereby **REVERSED AND SET ASIDE**.

Further, considering that Our findings on defendant-appellee Tanduay Distillers, Inc.'s liability for trademark infringement and unfair competition is consistent with the Decision dated 15 August 2013 previously rendered by the Special Former Thirteenth Division in CA-G.R. SP No. 127255, pursuant to prevailing jurisprudence, so as to prevent the issuance of inconsistent rulings, We merely take NOTICE and quote the dispositive portion thereof, which states:

xxx xxx xxx

SO ORDERED. 75

Undaunted, TDI filed the present petitions for review, docketed G.R. Nos. 210224 and 219632, respectively.

G.R. No. 216104

On August 9, 2006, TDI filed an application for the registration of the mark "GINEBRA KAPITAN" with the IPO, covering the goods classified as "gin." The application was docketed as Application No. 4-2006-008715. **76** The word mark is as follows: **77**

Ginebra Kapitan

On June 29, 2007, GSMI filed its verified opposition to the application, docketed as IPC No. 14-2007-00196, based on the following grounds:

1. [GSMI] was the owner, by prior adoption and substantially exclusive and continuous use, of the mark "GINEBRA";

2. [GSMI] and its predecessors had extensively, consistently and continuously used the word "GINEBRA" as the dominant feature of their trademarks in the manufacture, distribution, marketing and sale of gin products throughout the Philippines since (*sic*) the year 1843;

3. The mark "GINEBRA" had become distinctive as used in connection with the goods of [GSMI] and had already acquired a "secondary meaning" pursuant to [S]ection 123.2 of the Intellectual Property Code x x x. It is now exclusively associated with the gin products of [GSMI];

4. The registration of "GINEBRA KAPITAN" for use on the gin product of [TDI] would cause confusion among the public [who] would be led to believe that "GINEBRA KAPITAN" gin products are manufactured by or affiliated with [GSMI]; and

5. [GSMI] would be damaged by the registration of "GINEBRA KAPITAN." **78**

TDI countered that "GINEBRA" is a generic word that cannot function as a trademark, and therefore is not capable of exclusive appropriation. In the first place, GSMI had disclaimed the word "GINEBRA" in all its trademark registrations. The doctrine of secondary meaning is not applicable to words that have been disclaimed for being generic. Moreover, TDI insisted that GSMI will not be damaged by its registration and use of the mark "GINEBRA KAPITAN" on its gin product since the dominant portion of the mark would be "KAPITAN," which is not identical to the "SAN MIGUEL" trademark of GSMI. Finally, the trade dresses of the products of both parties differ in that they would not be confused from each other by the public. **79**

The Rulings of the BLA and IPO Director General

On April 23, 2008, the Bureau of Legal Affairs (BLA) rendered a Decision **80** denying GSMI's opposition and giving due course to TDI's registration of the mark "GINEBRA KAPITAN." In essence, it held that the word "GINEBRA" is a generic term, defined in the American Heritage Dictionary of the English language as "a strong colorless alcoholic beverage made by distilling or redistilling rye or other grain spirits and adding juniper berries or aromatics such as anise, caraway seeds or angelica roots as flavoring." In other words, "GINEBRA" describes or refers to the goods itself. The BLA observed that the Court has constantly affirmed the rule that generic words cannot be exclusively appropriated, and concluded that GSMI's claim that "GINEBRA" has become a distinctive part of its mark is untenable. Generic words supposedly can never acquire secondary meaning, and no length of use and no amount of advertising can make it distinctive. **81** Finally, the BLA held that "GINEBRA KAPITAN" is not confusingly similar to "GINEBRA SAN MIGUEL." The only similarity between the contending marks was the inclusion of the term "GINEBRA." The other components of the marks were entirely distinct and different from each other in spelling, pronunciation, and meaning. **82**

GSMI's motion for reconsideration having been denied, **83** it filed an appeal before the Office of the Director General. The latter rendered a Decision **84** on September 24, 2013 upholding the BLA decision and dismissing the appeal. He ruled, among others, that the term "GINEBRA," being generic, is not covered by the doctrine of secondary meaning and accordingly not subject to exclusive appropriation. Thus, even if GSMI had been using "GINEBRA" for a long period of time in its business activities, this will not amount to an exclusive right to use the name. Otherwise, it would prejudice other persons who are also engaged in producing or manufacturing a similar class of gin products and who are using the same generic term in their trade or services. **85** Moreover, GSMI's claim that it had marketed its products bearing the word "GINEBRA" for a long period of time does not automatically translate to a conclusion that TDI's use of "GINEBRA KAPITAN" will deceive the purchasing public. The public will buy "GINEBRA KAPITAN" because it suits their taste and not for the reason that they associate it with GSMI's gin products. Allowing the registration of "GINEBRA KAPITAN" will also not result to unfair competition, but will instead allow market competition among "Ginebra" or gin products. **86**

Feeling aggrieved, GSMI filed a petition for review before the CA.

The CA Ruling

On July 23, 2014, the CA rendered its Decision **87** in CA-G.R. SP No. 132441, granting GSMI's petition. It held that even if the term "GINEBRA" may be a Spanish word that means "gin" in English, there is no evidence of this fact because the dictionary from where the supposed definition came from is not in the record. It declared that "GINEBRA" is not a generic word since, to the Filipino gin-drinking public, it does not relate to a class of liquor or alcohol but refers specifically and exclusively to the gin products of GSMI. The point of view of the public is controlling since the test for genericness is the primary significance of the term to the ordinary consumer. Evidence of the relevant public's understanding of a term may be obtained from any competent source, including direct testimony of consumers, consumer surveys, or publications. **88**

The CA upheld the surveys conducted by GSMI which showed that 90% of gin drinkers surveyed in Luzon gave the top-of-mind responses "GINEBRA SAN MIGUEL," "SAN MIGUEL," "GINEBRA BLUE," and "LA TONDEÑA" when shown a flashcard with the word "GINEBRA," and at least half of this sample erroneously identified "GINEBRA KAPITAN" to be the product of GSMI. The CA found the testimonial evidence given by GSMI's survey expert, Abad, and advertising expert, Ma. Elizabeth Gustilo (*Gustilo*), relevant. Abad testified that "GINEBRA" is almost exclusively associated by the relevant consuming public with GSMI's gin products and not with gin itself, while Gustilo testified that "GINEBRA" has gained the status of an iconic brand. **89**

The CA also agreed with GSMI that the term "GINEBRA" had acquired a secondary meaning under Sec. 123.2 of the Intellectual Property Code. While "GINEBRA" may have originally been a descriptive term for a gin product, it had become distinctive of GSMI's products through its extensive and substantive use thereof for over 180 years. **90**

Finally, the CA found "GINEBRA" to have already been associated by the relevant public with GSMI's products, and that the registration and use of "GINEBRA KAPITAN" in TDI's gin products would cause confusion among the relevant consuming public as to the source and origin of products bearing the said marks. This, in turn, may cause damage to the goodwill that GSMI had built for decades and defeat the very purpose for which the laws on trademarks were created. **91** The dispositive portion of the CA Decision states:

WHEREFORE, in view of the foregoing premises, judgment is hereby rendered by us GRANTING the petition filed in this case. The Decision that was rendered by the Office of the Director General of the Intellectual Property Office of the Philippines dated September 24, 2013 in Appeal No. 14-09-28 is hereby **REVERSED** and **SET ASIDE**. Consequently, the trademark application bearing Application No. 4-2006-008715 that was filed by [TDI] on August 9, 2006 for the registration of the mark "GINEBRA KAPITAN" is hereby **DISAPPROVED**.

SO ORDERED. 92

TDI's motion for reconsideration having been denied, **93** it filed the present petition for review before the Court, docketed as G.R. No. 216104.

On February 13, 2020, GSMI filed a Manifestation **94** informing the Court that on December 27, 2019, the Director General of the IPO rendered a Decision **95** granting GSMI's opposition to TDI's application for registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device," and "Ginebra Pomelo & Device." According to the Director General, it has been established that the term "GINEBRA" has attained a secondary meaning in relation to GSMI's gin products. GSMI's investments, through its marketing campaigns, have effectively created an unmistakable link among the term "GINEBRA," the registered trademark "Ginebra San Miguel," and GSMI, such that even if "SAN MIGUEL" is dropped from GSMI's trade name and registered marks leaving only the term "GINEBRA," this singular word is still capable of pointing to the proper origin of the gin products to which it attached, which is GSMI, and distinguishing such products from those of the other manufacturers. **96**

In its March 10, 2020 Resolution, **97** the Court consolidated the four petitions in view of the identity of the parties and the similarity of issues raised therein.

On October 27, 2021, GSMI filed another Manifestation **98** stating that on December 16, 2020, the Director General of the IPO rendered a Decision **99** granting the appeal of GSMI to register the mark "GINEBRA S. MIGUEL" for the use on gin under Class 33 of the Nice Classification. The Director General reiterated that the term "GINEBRA" is linked with GSMI's products and eventually the same generic or descriptive term "GINEBRA" points to GSMI as the origin of the goods. It was further stated therein that as GSMI had already established its ownership of "GINEBRA" as a descriptive term on its gin

products, GSMI's application to register GINEBRA S. MIGUEL for use on gin should be given due course. **100**

The Issues

The issues raised in the consolidated petitions may be summarized as follows:

I

WHETHER "GINEBRA" IS A GENERIC MARK;

II

WHETHER "GINEBRA" MAY BECOME A DISTINCTIVE MARK PURSUANT TO THE DOCTRINE OF SECONDARY MEANING; [AND]

III

WHETHER TDI COMMITTED TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION FOR UTILIZING "GINEBRA KAPITAN" AS A LABEL FOR ITS GIN PRODUCT[.]

In G.R. No. 196372, GSMI argues that the mark "GINEBRA" is not generic but an iconic one, and that such status was attained through GSMI's consistent and successful use of emotional branding. **101** Emotional branding, in turn, is the principle that a brand must focus on a position in a consumer's mind, which must be maintained consistently in all brand activities. In the case of "GINEBRA," it is the telling and re-telling, for at least the past 25 years, of stories embodying the concept of the "hardworking," "never say die," "principled" Filipino male in all of GSMI's advertisements for its "GINEBRA" products. This allegedly resulted in a strong following among dignified Filipino workers from all walks of life, **102** and the consumer perception that a product with a "GINEBRA" mark is a GSMI product. **103** GSMI also cited the survey results in Project Bookman and Project Georgia, which allegedly show that the mark "GINEBRA" is exclusively perceived as, and associated by the relevant consuming public with, GSMI's "GINEBRA" gin products. **104** In this connection, GSMI asserts that it is of no moment that "GINEBRA" is the Spanish translation for "gin," since non-Spanish speaking Filipinos do not understand the term this way, but rather understand it as GSMI's brand of gin. **105** Moreover, a generic mark may subsequently become not generic, and hence registrable as a trademark. **106**

In addition, GSMI argues that even if "GINEBRA" is not to be considered iconic, it is at least descriptive. As a descriptive term used by GSMI pervasively for many years in relation to its gin products, it has acquired a secondary meaning and is thus entitled to trademark protection. **107** Further, the doctrine of foreign equivalents does not apply in this case because it is not likely that an ordinary gin-drinking Filipino will stop and translate "GINEBRA" into its English equivalent. The doctrine must moreover yield to the policy of customer perception that the "GINEBRA" mark's primary signification is GSMI's gin product. **108** GSMI consequently prays for the reversal of the CA decision in CA-G.R. CV No. 112005, and an order requiring the IPO to give due course to Application No. 4-2003-00162 for the registration of the mark "Ginebra" in the name of GSMI. **109**

In G.R. No. 210224, petitioner TDI raises procedural and substantive issues. It argues that the RTC decision in IP Case No. MC-03-01 had become final and executory on account of GSMI's improper filing of a motion for reconsideration which is a prohibited pleading under the Rules on Intellectual Property Cases, and its filing of a notice of appeal instead of a petition for review under Rule 43, which is the proper remedy in intellectual property cases. The procedural mishaps allegedly did not toll the running of the 15-day period to file a petition for review with the CA. **110** TDI also faults the CA in not citing GSMI in contempt, and in not dismissing both the petition for review and the ordinary appeal then pending before it for obvious forum shopping. **111**

On the substantive issues, TDI insists that the name "GINEBRA" is a generic term that may not be registered as a trademark. **112** "GINEBRA" is the Spanish term for "gin" and thus comprises the genus of the product, the species of which are either GSMI's or TDI's products. **113** As a generic term, it cannot acquire secondary meaning. **114** TDI further argues that the CA ruling that "GINEBRA" is associated with GSMI has no leg to stand on in the light of evidence belying GSMI's claim of exclusive use of the term. **115** Even before TDI introduced "GINEBRA KAPITAN" to the market, TDI and other companies have already been manufacturing and selling gin products under trademarks that use the word "Ginebra." **116** TDI also attacks the credibility and methodology of the survey evidence presented by GSMI, **117** and denies any liability for trademark infringement and unfair competition. **118** Finally, TDI assails the CA ruling which found it liable for payment of damages, and prays for the Court to set aside the CA decision in CA-G.R. SP No. 127255 and affirm the RTC Decision in IP Case No. MC03-01. **119**

The petition in G.R. No. 219632 was filed by TDI assailing the decision of the CA Special Sixteenth Division in CA-G.R. CV No. 100332, which tackled the ordinary appeal filed by GSMI against the RTC decision in IP Case No. MC03-01. TDI asserts that upon learning of the decision in CA-G.R. SP No. 127255, the CA Special Sixteenth Division should have recognized the existence of forum shopping and dismissed the case outright. **120** Not only that, it should have recognized that the notice of appeal was filed out of time since GSMI initially filed a prohibited pleading, *i.e.*, a motion for reconsideration. In the alternative, the CA should have restrained itself from rendering judgment on the substantive aspects of the appeal, after it acknowledged that its ruling would have to be consistent with the ruling of the CA Special Thirteenth Division. **121** TDI's arguments on the substantive issues are essentially the same as those it raised in G.R. No. 210224. It similarly prayed for the Court to set aside the CA decision in CA-G.R. CV No. 100332, and affirm the RTC decision in IP Case No. MC03-01.

Finally, TDI's main arguments in G.R. No. 216104 are similar to those it raises in the other petitions, namely: that "GINEBRA" is a generic term which may not be registered; the doctrine of secondary meaning does not apply to a generic word like "GINEBRA;" and there is no confusion between TDI and GSMI's gin products. TDI prays for the Court to set aside the CA Decision in CA-G.R. SP No. 132441, and affirm the findings of the Bureau of Legal Affairs and IPO Director General which gave due course to TDI's registration of the mark "GINEBRA KAPITAN."

The Court's Ruling

The Court finds that "GINEBRA" is not a generic mark.

Procedural Matters

In G.R. No. 219632, the Court finds that, by initially instituting an ordinary appeal, GSMI resorted to the wrong mode of appeal. When GSMI filed its appeal, Sec. 2, Rule 9 of the Rules of Procedure for Intellectual Property Rights Cases **122** applies, and it provides that:

SECTION 2. How Appeal Taken. — All decisions and final orders shall be appealable to the Court of Appeals through a petition for review under Rule 43 of the Rules of Court.

The petition for review shall be taken within fifteen (15) days from notice of the decision or final order of the Regional Trial Court designated by the Supreme Court as Special Commercial Courts. Upon proper motion and the payment of the full amount of the legal fee prescribed in Rule 141, as amended, and before the expiration of the reglementary period, the Court of Appeals may grant an additional period of fifteen (15) days within which to file the petition for review. No further extension shall be granted

except for the most compelling reasons, and in no case to exceed fifteen (15) days. **123** (emphasis supplied)

Thus, when the trial court renders a decision in an intellectual rights case, the proper mode of appeal would be a petition for review under Rule 43 of the Rules of Court filed before the CA, pursuant to the Rules of Procedure for Intellectual Property Rights Cases, and not an ordinary appeal under Rule 41 of the Rules of Court.

Accordingly, GSMI should have entirely pursued its petition for review under Rule 43 before the CA in CA-G.R. SP No. 127255, which it subsequently filed when the notice of appeal was initially denied by the RTC. Nevertheless, since the RTC, in its Order dated February 14, 2013, gave due course to GSMI's Notice of Appeal on the grounds of liberality and substantial justice, which routinely elevated the case before the CA docketed as CA-G.R. CV No. 100332, it cannot be said that GSMI was completely relieved of its duties. Notably, GSMI filed the manifestation with motion for consolidation to consolidate the petition for review under Rule 43, in CA-G.R. SP No. 127255, and the ordinary appeal, in CA-G.R. CV No. 100332. It just so happened that the CA already rendered its decision in CA-G.R. SP No. 127255, thus, consolidation was no longer possible.

Nevertheless, even if the petition in G.R. No. 210224 is disregarded because of the wrong mode of appeal, it is inconsequential and immaterial because the same issues raised in said petition — whether "GINEBRA" is a generic mark and whether TDI committed trademark infringement and unfair competition — would still be tackled under the consolidated cases of G.R. Nos. 196372, 210224, and 216104.

The Court has allowed some meritorious cases to proceed despite inherent procedural defects and lapses. This is in keeping with the principle that rules of procedure are mere tools designed to facilitate the attainment of justice and that strict and rigid application of rules which would result in technicalities that tend to frustrate rather than promote substantial justice must always be avoided. It is a far better and more prudent cause of action for the court to excuse a technical lapse and afford the parties a review of the case to attain the ends of justice, rather than dispose of the case on technicality and cause grave injustice to the parties, giving a false impression of speedy disposal of cases while actually resulting in more delay, if not a miscarriage of justice. **124**

Substantial Matters

A trademark is any distinctive word, name, symbol, emblem, sign, or device, or any combination thereof, adopted and used by a manufacturer or merchant on his goods to identify and distinguish them from those manufactured, sold, or dealt by others. **125** It is intellectual property deserving protection by law, and susceptible to registration if it is crafted fancifully or arbitrarily and is capable of identifying and distinguishing the goods of one manufacturer or seller from those of another. **126** In the recent case of *Zuneca Pharmaceutical v. Natrapharm, Inc.*, **127** the Court held that under the present Intellectual Property Code, ownership of a trademark is acquired through registration.

R.A. No. 8293 instructs that a mark means any visible sign **capable of distinguishing** the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods. **128** Notably, it does not elaborate how a mark may become capable of distinguishing the goods or services of an enterprise. Instead, Sec. 123 thereof enumerates the marks that are incapable of registration. **129**

In the United States, the landmark case regarding the distinctiveness of a trademark is *Abercrombie & Fitch Co. v. Hunting World, Inc.* **130** In that case, the spectrum of distinctiveness for purposes of trademark protection was introduced. It was explained therein that there are four (4) different categories of marks and the strength of trademark protection accorded to each category varies, to wit:

1. Fanciful or arbitrary;
2. Suggestive;
3. Descriptive; and
4. Generic.

A review of the relevant laws and jurisprudence affirms that the spectrum of distinctiveness is also applicable in our jurisdiction. More recently, *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, **131** (*Kolin*) discussed the spectrum of distinctiveness.

The strongest trademarks, and those that enjoy the broadest protection, are arbitrary and fanciful marks. **132** Fanciful marks are not found in the dictionary. They are coined letter and/or number combinations whose sole function is to serve as a mark, not as a word in the English language, and are the "strongest and most distinctive" marks. **133** An example of a fanciful mark would be the teen "KODAK" for film products as that word is not found in the dictionary and it was particularly coined for the sole purpose of distinguishing a mark. **134**

On the other hand, arbitrary marks are terms that have ordinary meaning apart from their connection to the goods and services at issue, but are unrelated to the goods and services on which they are applied. **135** Arbitrary marks are words or phrases used as a mark that appear to be random in the context of its use. They are generally considered to be easily remembered because of their arbitrariness. They are original and unexpected in relation to the products they endorse, thus, becoming themselves distinctive. **136**

An example of an arbitrary mark was discussed in *Romero v. Maiden Form Brassiere Co., Inc.* **137** In that case, the Court held that "ADAGIO," is a musical term, which means slowly or in an easy manner, but when applied to brassieres, develops to an arbitrary mark, not being a common descriptive name for a particular style of brassieres, thus, it becomes distinct and registrable as a trademark.

The next category of distinctiveness is suggestive marks. These are inherently distinctive and thus protectable as trademarks. They are presumed to be valid and may be registered without the necessity of presenting proof of secondary meaning. These terms merely imply or suggest, but do not explicitly describe the qualities or functions of a particular product or service. Suggestive marks require imagination, thought, or perception to link the trademark with the goods. **138**

In *GSIS Family Bank — Thrift Bank v. BPI Family Bank*, **139** the Court stated that suggestive marks are marks which merely suggest some quality or ingredient of goods. The strength of the suggestive mark lies on how the public perceives the word in relation to the product or service. In said case, the Court held that the "FAMILY BANK" is a suggestive mark, to wit:

The word "family" is defined as "a group consisting of parents and children living together in a household" or "a group of people related to one another by blood or marriage." Bank, on the other hand, is defined as "a financial establishment that invests money deposited by customers, pays it out when requested, makes loans at interest, and exchanges currency." By definition, there can be no expected relation between the word "family" and the banking business of respondent. **Rather, the words suggest that respondent's bank is where family savings should be deposited.** More, as in the [*Ang v. Teodoro*], the phrase "family bank" cannot be used to define an object. **140** (emphasis supplied)

The next category, which entails a weaker trademark protection, is descriptive terms. Words which are merely descriptive of character, qualities, or composition of article,

or of place where it is manufactured or produced, cannot be monopolized as trademark. **141** Sec. 123 of the R.A. 8293 states that descriptive marks are generally not registrable as trademarks, viz.:

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

xxx xxx xxx

(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[.]

In *Asia Brewery, Inc. v. Court of Appeals*, **142** the Court held that "PALE PILSEN" is a descriptive term because it merely describes the color (pale), of a type of beer (pilsen), which is a light bohemian beer with a strong hops flavor that originated in the City of Pilsen in Czechoslovakia. Since it was a descriptive term, it cannot be appropriated as a trademark for exclusive use.

Nevertheless, there is an exception wherein a descriptive mark may become registrable as a trademark based on the doctrine of secondary meaning. Under this doctrine, a word or a phrase that is "originally incapable of exclusive appropriation" may nonetheless be used as a trademark of an enterprise if such word or phrase — by reason of the latter's long and exclusive use thereof with reference to its article — has "come to mean that such article was [its] product." **143** This doctrine of secondary meaning shall be meticulously discussed *infra*.

The last and weakest mark in the spectrum of distinctiveness is the generic mark. A generic word or term is the name by which a class of products or services is commonly known. **144** These are words or signs that name the species or object to which they apply. **145** For this reason, they are not eligible for protection as marks under the IP Code **146** as the law precisely requires a trademark to be comprised of words or signs that are "capable of distinguishing the goods or services of a [particular] enterprise." **147**

Generic terms are those which constitute "the common descriptive name of an article or substance," or comprise the "genus of which the particular product is a species," or are "commonly used as the name or description of a kind of goods," or "imply reference to every member of a genus and the exclusion of individuating characters," or "refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product," and are not legally protectable. **148**

In our jurisdiction, the registration and use of generic words as trademarks are expressly proscribed under RA No. 8293. Thus, Sec. 123.1 (h) of the law bars the registration of generic names for such goods or services that they seek to identify, to wit:

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

xxx xxx xxx

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify; **149**

In a similar manner, Sec. 151.1 (b) of the same law renders cancellable registered trademarks that subsequently develop generic signification for the products or services they represent. **150**

An example of a generic mark would be "COFFEE" for a product of coffee. **151** Thus, a generic word alone is not subject to exclusive appropriation because it does not distinguish itself from the genus of which the particular product is a species. Stated differently, a generic term names a "class" of goods or services; rather than any particular feature or exemplification of the class. **152**

In sum, based on the spectrum of distinctiveness, fanciful, arbitrary, and suggestive marks carry strong trademark protection and are registrable. On the other hand, descriptive marks are weak in distinctiveness and are generally not subject to trademark registration. As an exception, descriptive marks may be registrable under the doctrine of secondary meaning, as with the long use of a particular product, it comes to be known by the public as specifically designating that product. Finally, generic marks are the weakest in the spectrum of distinctiveness and do not deserve any protection under the trademark law because these marks simply refer to the genus of the product.

In this case, the mark under dispute is "GINEBRA" for the gin product of GSMI. The Court is tasked to determine which spectrum of distinctiveness "GINEBRA" falls. If this term is either fanciful, arbitrary, or suggestive, then it is a registrable mark because of its distinctiveness. If it is a descriptive mark, then as a rule it is not registrable unless the doctrine of secondary meaning applies. Lastly, if the mark is a generic term, then it is not subject to any protection at all and cannot be appropriated exclusively. To begin the analysis, one question must be answered: how are generic terms determined?

Determination of genericness

The ultimate factor in determining whether a particular word is generic, is public perception. **153** In the landmark US case of *Bayer v. United Drug*, **154** the basic question underlying this test must be posed:

"[w]hat do the buyers understand by the word for whose use the parties are contending?" **155**

Based on public perception, a word is regarded as generic if the relevant consuming public understands such word as merely referring to the general class of product it purports to represent as a mark. **156** Conversely, if the relevant consuming public understands a word as pertaining to the product of a particular enterprise, then such word is not considered as generic but a distinctive one. **157**

In the United States, courts use the primary significance test, codified in the Lanham Act or 15 U.S.C. §1064 (3), to determine whether a term is generic. **158** It provides:

xxx xxx xxx

(3) 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 is functional, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of [S]ection 1054 of this title or of subsection (a), (b), or (c) of [S]ection 1052 of this title for a registration under this chapter, or contrary to similar prohibitory provisions of such prior Acts for a registration under such Acts, 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.** 159

Under the primary significance test, a term is not generic when the primary significance of the term in the minds of the consuming public is not the product but the producer. 160 The critical issue in genericness cases is whether members of the relevant public primarily understand the term sought to be protected to refer to the genus of goods or services in question. 161 Accordingly, based on public perception, if the consuming public primarily associates or signifies a particular term to a specific producer with its goods or services, then such term cannot be considered as generic.

Both direct and indirect evidence can be used to determine the primary significance of a term to consumers. 162 Purchaser testimony and consumer surveys, which are direct evidence, and listings, dictionaries, newspapers, and other publications, which are indirect evidence, may show primary significance of the term to the general public. 163 In the US, direct evidence of consumers' understanding of a term, such as consumer surveys, are a preferred method of proving genericness. 164 Consumer surveys have become almost *de rigueur* in litigation over genericness. Indirect evidence, such as dictionary definitions, may be considered as well but are not determinative of how a term is understood by the consuming public. 165

Not coincidentally, in the Philippines, a word or a sign's distinctive capacity is the recognized benchmark of trademark protection:

PART III
THE LAW ON TRADEMARKS, SERVICE MARKS AND TRADE NAMES

SECTION 121. Definitions. — As used in Part III, the following terms have the following meanings:

121.1. "Mark" means any visible sign **capable of distinguishing the goods (trademark) or services (service mark)** of an enterprise and shall include a stamped or marked container of goods[.] (emphasis supplied)

The use of public perception as the main standard in determining the genericness or distinctiveness of words is implied from the very rationale of trademarks and trademark regulations. As can be derived from its function, trademarks are meant to serve as devices by which the consuming public are able to tell apart the product of one enterprise from another. 166 Consequently, trademark regulations — particularly those that limit trademark protection only to words or signs that have distinctive quality — were put in place, largely, in order to eliminate potential causes of market confusion and thus ensure that trademarks remain reliable source indicators for the consuming public. 167

Notably, the primary significant test, which is used to measure public perception in the United States to determine whether a term is generic or not, is also reflected in our jurisdiction under Sec. 151.1 (b) of R.A. No. 8293. The provision reads:

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:

(a) 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.** (n)

(c) x x x **168** (emphasis supplied)

Under Sec. 151.1 (b) of R.A. No. 8293, a registered trademark is made susceptible to cancellation if it subsequently becomes a generic name for the product or service it represents. In determining whether a registered trademark has become generic, the provision categorically adopted as the test therefor — "the primary significance of the registered mark to the relevant public . . ." **169** This, in franker terms, is an explicit call for the application of public perception under the primary significance test in determining the genericness or distinctiveness of a mark.

Similarly, Sec. 8, Rule 18 of the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases states that the test for determining the genericness of a mark depends on the primary significance of the mark to the public, to wit:

SECTION 8. Generic Marks. — 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 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. (emphasis supplied)

Accordingly, the above-cited provision expressly adopts the primary significance test to determine public perception since this test applies to an inquiry where the genericness of words or marks is at issue. In other words, whether a word is generic or not is a question of the primary significance of the word based on public perception.

Consequently, a generic term a century ago may become a distinctive mark today because of the change in its primary significance based on public perception. In the United States, there have been instances where a generic mark from long ago became a distinctive mark because of the shift in primary significance based on public perception. In *Singer Manufacturing Co. v. June Manufacturing Co.*, **170** it was declared in 1896 that "SINGER" is a generic mark for a type of sewing machine. Subsequently, in *Singer Mfg. Co. v. Redlich*, **171** it was declared that "SINGER" had become a valid trademark because of the decades spent on promoting their product and the investment spent in advertising to keep Singer Manufacturing Co.'s names, trademarks, services and merchandise relevant before the public. Thus, while "SINGER" was initially declared as generic, it nevertheless became a registrable mark decades later due to the change in public perception.

More recently, in *Patent and Trademark Office v. Booking.com B.V.*, **172** the Supreme Court of the United States (SCOTUS) ruled that the primary significance of the registered mark to the relevant public shall be the test for determining whether the registered mark has become the generic name of goods or services. Initially, both "BOOKING" and ".COM" were generic terms that could convey no source-identifying meaning. However, the SCOTUS found that, based on survey evidence to establish the primary significance of the mark utilizing public perception, the consuming public primarily understands that utilizing "BOOKING.COM" does not refer to a genus, rather, it is descriptive of services involving 'booking' available at that domain name. **173** SCOTUS, having determined that "Booking.com" is descriptive, affirmed the findings of the district court that the term had acquired secondary meaning as to hotel-reservation services. **174**

Conversely, a distinctive mark decades ago may become a generic mark today because of the shift in public perception. This is contemplated under Sec. 151.1 (b) of R.A. No. 8293 regarding cancellations of trademark that have become generic pursuant to the primary significance of the registered mark to the relevant public. The deterioration of a trademark into a generic name is ordinarily the result of a combination of complex factors, from consumer behavior to the trademark owner's lack of awareness and its inability to act. **175**

For instance, in *Bayer Co. v. United Drug Co.*, **176** the mark "ASPIRIN" originally referred to the acetylsalicylic acid product of Bayer Co. However, as time passed and due to loss of distinctiveness or genericization, the term "ASPIRIN" became the common name for the drug and the term has passed into public domain. From that point, the mark became generic and could not be subject to trademark protection. Again, it was emphasized therein that the determination of genericness lies in the use of the word to the general consuming public.

As brilliantly expounded by Justice Caguioa, "a generic term may evolve into a descriptive term and it is only when it has already become descriptive that it may be capable of acquiring distinctiveness based on Sec. 123.2 of the R.A. No. 8293. 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." **177**

However, it must be emphasized that if the generic mark does not evolve in the spectrum of distinctiveness, based on the primary significance test, and remains generic despite the passage of time and shift in public perception, then such generic mark still remains unregistrable under Sec. 123.1 of the R.A. No. 8293.

The next inquiry to be addressed is: how is the primary significance of the mark based on public perception determined to resolve the issue of genericness? In this case, since the term "GINEBRA" is alleged to be a foreign word, the doctrine of foreign equivalents may be explored to decide whether such mark is generic.

Doctrine of foreign equivalents

The doctrine of foreign equivalents is a legal principle that advocates resort to dictionary translations in order to ascertain whether a foreign word is generic or not. It stipulates that a foreign word ought to be considered generic with respect to a certain product if the English translation thereof likewise concedes a generic meaning in relation to such product. **178**

The general idea behind the doctrine of foreign equivalents is fairly simple. A common term from another country used to describe an item from that same country should not be given trademark protection in this country. **179** Words that are foreign equivalents of generic or merely descriptive terms may not merit legal protection where consumers would recognize the generic or descriptive meaning of the foreign terms. **180**

Marks consisting of or including foreign words or terms from common, modern languages are translated into English to determine genericness, descriptiveness, likelihood of confusion, and other similar issues. With respect to likelihood of confusion, it is well-established that foreign words or terms are not entitled to be registered if the English language equivalent has been previously used on or registered for products which might reasonably be assumed to come from the same source. **181**

Following this doctrine, a tribunal may, under certain circumstances, translate foreign words into their English-equivalent in order to determine their genericness and descriptiveness. Generic or descriptive names for a product, in whatever language, belong in the public domain if the typical consumer would recognize those names as generic or descriptive. The foreign equivalent of a generic term is unregistrable where the typical consumer would translate the term into English. No merchant may obtain the exclusive right over a trademark designation if that exclusivity would prevent competitors from designating a product as what it is in the foreign language their customers know best. **182**

Several cases in the United States have applied the doctrine of foreign equivalent to determine whether a foreign word is a generic mark. In *In re Northern Paper Mills*, **183** the court therein denied the registration of the foreign Spanish word "GASA" for toilet paper, which translated to English is "Gauze," because it merely describes the product as a thin, slight, and transparent fabric. Similarly, in *Weiss Noodle Co. v. Golden Cracknel & Specialty Co.*, **184** the court denied the registration of the foreign Hungarian word "HA-LUSH-KA" or "GALUSKA" for egg noodles, which translated to English was "Noodles," hence, a generic mark. Further, in *In Hyuk Suh v. Choon Sik Yang*, **185** the Korean word "KUK SOOL," which translated to English as "National Martial Arts," was found generic and cannot be protected under trademarks laws, particularly, for trademark infringement.

In our jurisdiction, the concept of the doctrine of foreign equivalents, while not expressly mentioned in R.A. 8293, has been fundamentally applied in some court cases. In *Lyceum of the Philippines, Inc. v. Court of Appeals*, **186** the Court found the Latin word "LYCEUM," which in English translates to "University," a generic mark, hence, not subject to the protection of trademark. Neither was the doctrine of secondary meaning applied therein because the petitioner failed to prove the exclusive use of the word for a long period of time considering that there are numerous other institutions that use "LYCEUM" and, in fact, one of those institutions even predated the petitioner in the usage of the word "LYCEUM."

In contrast, in *Kensonic, Inc. v. Uni-Line Multi-Resources, Inc. (Phil.)*, **187** the Court declared as foreign the word "SAKURA" which, when translated to English, refers to a "Japanese flowering cherry." At first glance, it may be considered as generic in nature. However, since the said mark was used in an arbitrary manner to identify products of DVD and VCD players, which were totally not associated with cherry blossoms, the "SAKURA" mark was allowed to be appropriated as a valid trademark.

Hence, as a general rule, when there is a foreign term, the English translation evidence is a considerable factor for the courts in determining whether to apply the doctrine of foreign equivalents. If the translation evidence shows that the English translation is unambiguously literal and direct, with no other relevant connotations or variations in meaning, the doctrine has generally been applied. **188**

Dictionary definitions are typically good gauges of how the public understands a word or term. Under ordinary circumstances, a dictionary entry defining a word as a generic name of a class of products is reasonable evidence that the public perceives such word as such. **189** However, as stated above, while dictionary definitions are indirect evidence to establish primary significance, it may not be determinative or conclusive of how a term is understood by the consuming public. **190**

Exceptions to the doctrine of foreign equivalents

Nevertheless, there are limitations to the applicability of the doctrine of foreign equivalents when a foreign word is not translated to its English or dictionary definition. In those exceptions, the foreign word will not be translated for the purpose of trademark registration.

The first limitation was discussed in the leading US case of *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*. **191** The applicant therein wanted to register the French term "VEUVE ROYALE," which refers to "Royal Widow" when translated to English, for its sparkling wine products. An oppositor contested the application because it is confusingly similar with its registered trademark "THE WIDOW" for its wine products. The federal court held that:

Although words from modern languages are generally translated into English, **the doctrine of foreign equivalents is not an absolute rule and should be viewed merely as a guideline. The doctrine should be applied only when it is likely that the ordinary American purchaser would "stop and translate [the word] into its English equivalent."** x x x (emphasis supplied)

Indeed, the doctrine of foreign equivalents is not an absolute rule and should only be considered as a guideline. In addition, the doctrine should only be applied when an ordinary purchaser would "stop and translate the foreign word into its English equivalent." If an ordinary purchaser would not likely "stop and translate the foreign word" because the said word already signifies a different meaning based on public perception, then the doctrine of foreign equivalents is inapplicable. In that case, since an appreciable number of purchasers are unlikely to be aware that VEUVE means "widow" and are unlikely to translate the "VEUVE ROYALE" into English, then the doctrine of foreign equivalents was not applied.

Subsequently, in the case of *In re Spirits Int'l., N.V.*, **192** a federal court held that the "ordinary American purchaser" is not limited to only those consumers unfamiliar with non-English languages; rather, the term includes all American purchasers, including those proficient in a non-English language who would ordinarily be expected to translate words into English.

In that case, the applicant wanted to register the Russian term "MOSKOVSKAYA," which translates "from Moscow" in English, for its vodka products. The court held that it must be determined whether the ordinary purchasers, which include the consuming public whether or not fluent in the foreign language, would stop and translate the foreign word into English. If in the affirmative, then it is generic; otherwise, it is registrable. Hence, the general consuming public, not merely those purchasers familiar with the foreign language, is considered for the test of public perception with respect to the distinctiveness of a mark.

The second limitation of the doctrine of foreign equivalents is with respect to highly obscure and dead languages. If evidence shows that the language at issue is highly obscure or a dead language, the doctrine will not be applied. The determination of whether a language is "dead" is made on a case-to-case basis, based upon the meaning the word or term would have to the relevant purchasing public. For example, Latin is generally considered a dead language. However, if evidence shows that a Latin term is still in use by the relevant purchasing public (*i.e.*, if the term appears in current dictionaries or news articles), then this Latin term would not be considered dead. The same analysis is applied to other words or terms from uncommon or obscure languages. **193** Notably, the primordial consideration of this limitation again is the understanding of the relevant purchasing public of the foreign term.

The third limitation of the doctrine of foreign equivalents is the alternate meaning of mark and marketplace circumstances or the commercial setting in which the mark is used. **194** The said doctrine shall not be applied when the foreign word has a meaning in the relevant marketplace that differs from the translated meaning in English; or that the foreign expression will not be translated by purchasers because of the manner in which the term is encountered in the marketing environment as used in connection with the goods and/or services.

In other words, the doctrine will not be applied where the foreign word has developed an alternate meaning in the relevant marketplace that is different from the translated meaning in English, and the evidence shows that the alternate meaning would be understood by the relevant purchasing public. **195**

This exception was observed in *Cont'l Nut Co. v. Le Cordon Bleu*, **196** where the applicant sought the registration of the French term "CORDON BLEU," for its edible shelled nuts. An oppositor disputed the registration because it was confusingly similar with its mark "LE CORDON BLEU" for culinary education services. The applicant countered that "CORDON BLEU" cannot exclusively be appropriated by the oppositor because it is a generic mark for "Blue Ribbon." The court upheld the opposition and denied the application because "CORDON BLEU" was a pre-existing mark in favor of the oppositor, which is a well-known school of French cooking to the public. Its literal translation to "Blue Ribbon" does not have the same significance to the American public which creates a different commercial impression. The application of the doctrine of foreign equivalents was therefore precluded because the mark developed an alternate meaning in the relevant marketplace.

The doctrine also typically will not be applied where the record indicates that it is unlikely purchasers would translate the mark because of "marketplace circumstances or the commercial setting in which the mark is used." **197** This was applied in *In re Pan Tex Hotel Corp.*, **198** where it was found that the Spanish language mark "LA POSADA" for lodging and restaurant services, which translates to "the inn," would not likely be translated by American purchasers. It was therein held that the manner of use of the mark on the applicant's specimens, in which the applicant used the mark in advertising brochures and on a sign mounted in front of its motor hotel with the words "motor hotel" appearing directly under the notation LA POSADA, is completely different from the typical inn.

The Court finds that the limitations or exceptions to the doctrine of foreign equivalents are applicable in our jurisdiction. Again, the ultimate test to determine whether a mark is generic is its primary significance based on public perception. **199** To determine public perception and whether the doctrine of foreign equivalents shall be applied, an analysis of the evidence of record, including translation evidence, the nature of the foreign and English combined-wording, and any other relevant facts and evidence should be considered in these cases. **200**

Indeed, the doctrine of foreign equivalents is not an absolute rule. It is merely a guideline to determine the registrability of a mark. The doctrine of foreign equivalents will not apply when, based on the test of primary significance pursuant to public perception, the relevant public has placed a different or alternate meaning or assessment to a foreign word.

The cases at bench present a novel backdrop because GSMI presented, among others, two (2) consumer survey evidence, to prove that the relevant consuming public does not consider "GINEBRA" as a generic mark.

Survey evidence

As a preliminary matter, it must be underscored that the Court is not a trier of facts and a review is not a matter of right but of sound judicial discretion. It will be granted only when there are special and important reasons therefor. **201** The rule however, admits of

exceptions, including when the factual findings of the lower courts are conflicting. **202** Since the factual findings of the lower courts and tribunals are conflicting in this case, the Court finds that a factual review is proper.

Evidence is admissible when it is relevant to the issue and is not excluded by the law or the rules on evidence. **203** Admissibility of evidence should not be confused with its probative value. Admissibility refers to the question of whether certain pieces of evidence are to be considered at all, while probative value refers to the question of whether the admitted evidence proves an issue. Thus, a particular evidence may be admissible, but its evidentiary weight depends on judicial evaluation within the guidelines provided by the rules of evidence. **204**

The Court has recognized that American law is where most of our intellectual property laws were patterned from. **205** Since the Court is articulating a rather novel principle in our jurisdiction, it is not unreasonable to consider the enunciated parameters as a guiding light in measuring the probative value of GSMI's survey evidence.

In the United States, consumer opinion is vital to several of the most critical questions in trademark law: Are consumers likely to be confused as to the source of a certain product or service? Do consumers associate a certain term or design with a single source? Do a substantial number of consumers find a particular mark to be famous? Has a name become so widely used it no longer refers to a specific brand? Are consumers misled by a certain advertising claim? It is not surprising that consumer surveys are commonly conducted in trademark cases and properly-conducted surveys are considered the most probative evidence available on many issues, particularly likelihood of confusion, secondary meaning and misleading advertising. **206**

Consumer survey evidence was recently cited by the SCOTUS in *Patent and Trademark Office v. Booking.com B.V.*, **207** where based on the survey evidence to establish public perception, the consuming public primarily understood "BOOKING.COM" not to refer to a genus, but is descriptive of services involving 'booking' available at that domain name. **208** Consumer surveys have long been used in trademark matters to establish consumer perception of trademarks. These surveys have been used to aid the likelihood of confusion, secondary meaning, and tacking analyses, among others. **209**

Nevertheless, consumer survey evidence is challenging. The right questions need to be asked of the right number of people from the right population in the right manner and designed and analyzed by the right expert using the right methodology. And all of this can be very expensive. However, it must be emphasized that survey evidence in trademark cases is not mandatory **210** since it is only one of the pieces of evidence that can be presented to determine the primary significance test.

Initially, survey evidence was deemed inadmissible in court proceedings because it was treated as hearsay since the respondents who answered the survey are not presented during trial; it is only the survey-supervisor who testifies as an expert witness during trial. **211**

Nevertheless, in the leading US case of *Zippo Mfg. Co. v. Rogers Imps., Inc.*, **212** a trademark infringement case, survey evidence was finally and conclusively considered as a valid exception to the hearsay rule, to wit:

x x x The weight of case authority, the consensus of legal writers, and reasoned policy considerations all indicate that the hearsay rule should not bar the admission of properly conducted public surveys. Although courts were at first reluctant to accept survey evidence or to give it weight, the more recent trend is clearly contrary. Surveys are now admitted over the hearsay objection on two technically distinct bases. Some cases hold that surveys are not hearsay at all; other cases hold that surveys are hearsay but are admissible because they are within the recognized

exception to the hearsay rule for statements of present state of mind, attitude, or belief. Still other cases admit surveys without stating the ground on which they are admitted.

The cases holding that surveys are not hearsay do so on the basis that the surveys are not offered to prove the truth of what respondents said and, therefore, do not fall within the classic definition of hearsay. This approach has been criticized because, it is said, the answers to questions in a survey designed to prove the existence of a specific idea in the public mind are offered to prove the truth of the matter contained in these answers. Under this argument, when a respondent is asked to identify the brand of an unmarked lighter, the answer of each respondent who thinks the lighter is a Zippo is regarded as if he said, 'I believe that this unmarked lighter is a Zippo.' Since the matter to be proved in a secondary meaning case is respondent's belief that the lighter shown him is a Zippo lighter, a respondent's answer is hearsay in the classic sense. Others have criticized the non-hearsay characterization, regardless of whether surveys are offered to prove the truth of what respondents said, because the answers in a survey depend for their probative value on the sincerity of respondents. One of the purposes of the hearsay rule is to subject to cross-examination statements which depend on the declarant's narrative sincerity. See Morgan, Hearsay Dangers and the Application of the Hearsay Concept, 62 Harv.L.Rev. 177 (1948). The answer of a respondent that he thinks an unmarked lighter is a Zippo is relevant to the issue of secondary meaning only if, in fact, the respondent really does believe that the unmarked lighter is a Zippo. Under this view, therefore, answers in a survey should be regarded as hearsay.

Regardless of whether the surveys in this case could be admitted under the non-hearsay approach, they are admissible because the answers of respondents are expressions of presently existing state of mind, attitude, or belief. There is a recognized exception to the hearsay rule for such statements, and under it the statements are admissible to prove the truth of the matter contained therein. 213 (emphasis supplied)

Guidance may be obtained from the *Zippo* case which mentioned "two technically distinct bases" that would justify the admissibility of survey evidence, to wit: necessity and trustworthiness. In other words, there must be a further examination of the necessity for the statements in the survey evidence at trial and the circumstantial guaranty of trustworthiness surrounding the making of the statements in the survey evidence. *Zippo* explained the requirement of necessity in this wise:

Necessity x x x requires a comparison of the probative value of the survey with the evidence, if any, which as a practical matter could be used if the survey were excluded. If the survey is more valuable, then necessity exists for the survey, *i.e.*, it is the inability to get 'evidence of the same value' which makes the hearsay statement necessary. When, as here, the state of mind of a smoking population (115,000,000 people) is the issue, a scientifically conducted survey is necessary because the practical alternatives do not produce equally probative evidence. With such a survey, the results are probably approximately the same as would be obtained if each of the 115,000,000 people were interviewed. The alternative of having 115,000,000 people testify in court is obviously impractical. The alternatives of having a much smaller section of the public testify (such as eighty witnesses) or using expert witnesses to testify to the state of the public mind are clearly not as valuable because the inferences which can be drawn from

such testimony to the public state of mind are not as strong or as direct as the justifiable inferences from a scientific survey. **214**

Statistical methods can often estimate, to specified levels of accuracy, the characteristics of a "population" or "universe" of events, transactions, attitudes, or opinions by observing those characteristics in a relatively small segment, or sample, of the population. Acceptable sampling techniques, in lieu of discovery and presentation of voluminous data from the entire population, can save substantial time and expense, and in some cases provide the only practicable means to collect and present relevant data. **215** As regards the element of trustworthiness, *Zippo* held:

The second element involved in this approach is the guaranty of trustworthiness supplied by the circumstances under which the out-of-court statements were made. A logical step in this inquiry is to see which of the hearsay dangers are present. With regard to these surveys: there is no danger of faulty memory; the danger of faulty perception is negligible because respondents need only examine two or three cigarette lighters at most; the danger of faulty narration is equally negligible since the answers called for are simple. The only appreciable danger is that the respondent is insincere. But this danger is minimized by the circumstances of this or any public opinion poll in which scientific sampling is employed, because members of the public who are asked questions about things in which they have no interest have no reason to falsify their feelings. While sampling procedure substantially guarantees trustworthiness insofar as the respondent's sincerity is concerned, other survey techniques substantially insure trustworthiness in other respects. If questions are unfairly worded to suggest answers favorable to the party sponsoring the survey, the element of trustworthiness in the poll would be lacking. The same result would follow if the interviewers asked fair questions in a leading manner. Thus, the methodology of the survey bears directly on trustworthiness, as it does on necessity.

Following these guidelines, survey evidence is a necessity in this case, as survey results of the representative sample of the universe may show how the relevant consuming public perceives the name "GINEBRA." Further, as long as the party would be able to establish that the conduct survey has a guarantee of trustworthiness, such as in this case, then such survey can be admitted in evidence. As discussed, public perception is pertinent to the determination of whether the doctrine of foreign equivalents applies.

In the U.S., under Rule 803 (3) of the Federal Rules of Evidence, survey evidence is admissible as an exception to the hearsay rule because the statements of the survey respondents express their present existing state of mind, attitude, or belief, viz.:

Rule 803. Exceptions to the Rule Against Hearsay

The following are not excluded by the rule against hearsay, regardless of whether the declarant is available as a witness:

xxx xxx xxx

(3) *Then-Existing Mental, Emotional, or Physical Condition.*

A statement of the declarant's then-existing state of mind (such as motive, intent, or plan) or emotional, sensory, or physical condition (such as mental feeling, pain, or bodily health), but not including a statement of memory or belief to prove the fact remembered or believed unless it relates to the validity or terms of the declarant's will. **216**

Laying the foundation for survey evidence will ordinarily involve expert testimony and, along with disclosure of the underlying data and documentation, should be taken up by the court well in advance of trial. Even if the court finds deficiencies in the proponent's showing, the court may receive the evidence subject to argument going to its weight and probative value. **217** When the purpose of a survey is to show what people believe — but not the truth of what they believe — the results are not hearsay. **218**

As properly explained by the CA in G.R. No. 219632, in the Philippines, the equivalent exception under the hearsay rule, as in the situation above, refers to the doctrine of independently relevant statement. Ordinarily, a witness can only testify to those facts which he or she knows of his or her personal knowledge, save for certain exceptions. **219** One of these exceptions refers to the doctrine of independently relevant statement:

While the testimony of a witness regarding a statement made by another person given for the purpose of establishing the truth of the fact asserted in the statement is clearly hearsay evidence, it is otherwise if the purpose of placing the statement on the record is merely to establish the fact that the statement, or the tenor of such statement, was made. Regardless of the truth or falsity of a statement, when what is relevant is the fact that such statement has been made, the hearsay rule does not apply and the statement may be shown. As a matter of fact, evidence as to the making of the statement is not secondary but primary, for the statement itself may constitute a fact in issue or is circumstantially relevant as to the existence of such a fact. This is the doctrine of independently relevant statements. **220**

Thus, when the person who supervised the conduct of the survey testifies on the survey results, that person does not technically testify to prove the truth or falsity of the statements or answers made by the survey respondents or interviewees. Rather, the survey-supervisor, as an expert witness, testifies to the fact that such statements or answers were indeed made by the survey respondents and that those statements constitute their state of mind. The survey-supervisor merely collated the results of the survey and presented the trends, so to speak, culled from the survey respondents' answers. Hence, even if the survey respondents themselves were not presented on the stand to testify on their answers, a person's testimony, who supervised the survey, as to the fact that such responses were made by the said respondents should not be stricken off the record as being hearsay. **221**

Notably, the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases, **222** allow market surveys to be presented in court to prove the primary significance of the mark to the public and/or the likelihood of confusion, to wit:

SECTION 9. *Market Survey.* — A market survey is a scientific market or consumer survey which a party may offer in evidence to prove **(a) the primary significance of a mark to the relevant public, including its distinctiveness, its descriptive or generic status, its strength or well-known status and/or (b) likelihood of confusion.** (emphasis supplied)

Accordingly, the RTC in G.R. Nos. 210224 and 219632 erred in declaring survey evidence as inadmissible under the hearsay rule. The procedural rules allow the offer of survey evidence under the doctrine of independently relevant statement and the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases. Verily, the admissibility of survey evidence is now settled. While not compulsorily required in every intellectual property litigation, survey evidence may be crucial to establish the significance of a mark to the public and/or the likelihood of confusion. **223**

With the matter of admissibility now settled, the credibility or probative weight of evidence that a court or tribunal places on survey evidence must be addressed.

The Manual for Complex Litigation **224** of the Federal Judicial Center, **225** provides that the following factors should be considered in determining the reliability of survey evidence presented by the parties, which affects its probative value:

1. The universe was properly defined;
2. A representative sample of that universe was selected;
3. The questions to be asked of interviewees were framed in a clear, precise and non-leading manner;
4. Sound interview procedures were followed by competent interviewers who had no knowledge of the litigation or the purpose for which the survey was conducted;
5. The data gathered was accurately reported;
6. The data was analyzed in accordance with accepted statistical principles; and
7. Objectivity of the entire process was assured. **226 227**

The above-stated factors have been adopted by the US courts in determining the reliability of survey evidence in trademark cases. **228** The closer the survey question resembles the precise legal question before the court and mirrors the experience of consumers in the marketplace, the more weight the survey will have. **229** A court may place such weight on survey evidence as it deems appropriate. **230**

If the factors are not sufficiently established, then it will affect the evidentiary weight of the survey evidence. The flaws in the universe, design and interpretation of defendants' study undermine its probative value and it deserves no weight in measuring actual confusion over source of goods or services. **231**

The US Trademark Manual of Examining Procedure also states that survey evidence, market research, and consumer reaction studies are relevant in establishing acquired distinctiveness and secondary meaning. **232** A survey should reveal that the consuming public associates the proposed mark with a single source, and not that the applicant is the first among many parties associated with the designation. **233** Information regarding how a survey was conducted, the number of participants surveyed, and the geographic scope of the survey may assist in determining the probative weight of such evidence. **234**

Accordingly, whenever survey evidence is presented by the parties, the court must be circumspect to determine the reliability of the survey, by taking into account the different factors that affect its probative value and evidentiary weight.

Projects Bookman and Georgia

In this case, GSMI presented two (2) consumer survey evidence: Project Bookman and Project Georgia. Project Bookman was presented in G.R. Nos. 196372, 210224, 216104 & 219632. On the other hand, Project Georgia was presented in G.R. Nos. 210224, 216104 and 219632. These surveys were administered by NFO Trends, Inc., an agency engaged in market research and consumer behavior research.

The objectives of the survey Project Bookman were to test whether the term "GINEBRA" had acquired a strong association with certain brands among gin drinkers, and to check for possible confusion in the market arising from the project launch of TDI's "GINEBRA KAPITAN." The survey was conducted from June 13 to July 6, 2003, covering the Greater Manila Area (GMA), North Luzon, and South Luzon. **235**

The survey "Project Georgia," on the other hand, had for its objective the determination of the extent to which "Ginebra San Miguel Red" is being identified with "Ginebra Kapitan" and "Gin Kapitan" in terms of packaging. The survey was conducted between March 17-21, 2005 in the 16 cities of Metro Manila and Taytay, Rizal. **236**

Following a review of the report on these surveys detailing their purpose, methodology, and results, the Court is of the considered view that they are necessary and trustworthy, and that both have significant probative value.

A. Project Bookman

As regards Project Bookman, the record evinces its reliability:

First, the universe where the sample and respondents were taken was properly defined. According to the technical details, the universe consisted of a population of 6,203,643 gin drinkers in GMA, North Central Luzon and South Luzon. **237** The sample tested appears to be representative of the relevant consuming public. Respondents consisted of male individuals aged 18-55 years old from Classes D and E urban and rural households. They are *bona fide* gin drinkers who drank gin in the past 4 weeks and who drink gin regularly at an average frequency of twice a week. Majority of those surveyed in North and South Luzon had elementary or high school education, while those surveyed in GMA were mostly high school graduates or have had some or completed college education. **238** This profile is consistent with GSMI's target market: fishermen, farmers, loggers, workers, and the like, and even working students. **239**

Second, the record indicates that the sample is numerically relevant. There was a sample of 100 gin drinkers per area, from GMA, North Luzon, and South Luzon, **240** or a total of 300 respondents. The sampling design consisted of two stages:

Stage 1: Selection of sample areas

In GMA, areas were drawn from a list of electoral precincts. The number of precincts per city/municipality was proportionate to the population of the area.

In North and South Luzon, the latest list of barangays was used from which sample barangays were randomly chosen, with equal probabilities assigned to each barangay. The number of areas drawn was based on the estimated incidence of gin drinkers, given that only five (5) households were to be sampled per barangay.

Stage 2: Selection of households

In each sample area, five (5) qualified households were chosen following a random start. In each household, all males meeting the age requirement were given a chance to be chosen. **241**

On the other hand, the sample size was explained as follows:

The sample was disproportionately distributed so as to read each area independently at an acceptable confidence level. In aggregating results from the three areas, weights were subsequently applied to reflect the corresponding proportion of gin drinkers in these areas.

| | Total interviewed | Sample size of gin drinker | Population of gin drinkers | Weighted base |
|---------------------|-------------------|----------------------------|----------------------------|---------------|
| Greater Manila Area | 155 | 100 | 1,373,004 | 137 |
| North Central Luzon | 116 | 100 | 2,566,164 | 257 |
| South Luzon | 108 | 100 | 2,264,475 | 226 |
| | — | — | — | — |
| [Total] | 379 | 300 | 6,203,643 | 620 |

Note: The magnitude of possible random error at 95% confidence level is as follows:

- 300 ± 5.6
- 100 ± 9.8
- 50 ± 13.9 **242**

In the affidavit that she identified in court during trial as an expert witness, Abad, who is the President and Managing Director of NFO Trends, explained that this is scientifically representative of "Ginebra's" target market. Thus:

Q17: After so determining the target market, what other factors, if any, were determined and why:

A17: We determined, and used, a representative sample of 100 respondents per test area, or a total of 300 respondents for the three areas tested, namely, Greater Manila Area, North Central Luzon, and South Luzon. A representative sample is defined as a number of people randomly selected following accepted scientific sampling procedures. **The size of the sample used for Project Bookman (100 per area) is sufficiently large to contain a wide spectrum of personal attributes and behavior within the universe. A sample size of 100 per area is therefore scientifically representative of the target market-universe subject of the survey. 243**

xxx xxx xxx

Q19: What are taken into account in determining the representative sample of respondents for a survey, if any?

A19: Basically, the purpose and expectations of the survey, as well as intended marketing applications, determine sample size. The size of

the sample, in turn, determines a range of margin of error — otherwise called a probability of correctness. For purposes of the survey project of [GSMI], the sample of 100 respondents per area is a respectable base. This ensured the independence of each area. **244** (emphasis supplied)

Notably, the survey had a meticulously determined sample size. Considering that there were 300 respondents in the survey, the margin of error at 95% confidence level was acceptable at ± 5.6 .

Third, the questions asked to the survey respondents were framed in a clear, precise and non-leading manner. There were also measures placed to ensure the objectivity of the entire process. In other words, the questions were posed to avoid bias. Three questions were asked from the respondents:

1. What brand comes to your mind when you see this (Showcard with the word "GINEBRA")? **245**
2. What is the brand of the product we showed you? (Showed back of the product "GINEBRA KAPITAN") **246**
3. Who is the manufacturer of the product you saw? (Showed front view of the product "GINEBRA KAPITAN") **247**

Abad testified that she personally formulated the questions, and that she particularly ensured that the questions were open-ended, not leading, and did not suggest the desired answers:

Q22: What were taken into account in formulating these questions?

A22: **Of foremost consideration in surveys is the integrity thereof. This begins with ensuring that the questions to be asked of respondents are properly phrased and sequenced. Thus, the questions were open-ended, not leading, and did not suggest the desired answers.** For example, instead of just asking "Does (brand) come to your mind when you see this (showcard with the word "Ginebra")?", we asked "What brand comes to mind when you see this (showcard with the word "Ginebra")? x x x. **248** (emphasis supplied)

Further, Abad explained that the respondents of the survey were not allowed to read questionnaires, so as to prevent them from anticipating questions asked, thereby unconsciously and unnaturally structuring their responses. **249**

Likewise, in order to ensure confidentiality of the project, the respondents were screened to ensure that neither they nor others in their household work in advertising, market research, or in any company involved in the manufacturing, distribution, marketing or sale of any kind of beverages. **250**

Fourth, the methodology was adequately explained and developed from long years of experience by an organization that has established a reputation in market research. NFO Trends is a reputable market research firm that has been in the industry since 1980 and whose clients composed of various large and well-known companies. **251**

As regards methodology, the Project Bookman report states that face-to-face interviews were conducted with the aid of a structured questionnaire. Respondents were asked what brand comes to mind when they see a showcard with the word "GINEBRA." Then, they were screened for regularity of gin consumption. Finally, respondents were tested for packaging association. Even-numbered respondents were shown the "GINEBRA KAPITAN" bottle for about 5 seconds, with the back of the product facing respondents at a distance of 4-5 feet, and asked the question: "What is the brand of the product we showed you? On the other hand, odd-numbered respondents were shown the

"GINEBRA KAPITAN" bottle for about 5 seconds with the front label facing respondents at a distance of 4-5 feet and asked the question: "Who is the manufacturer of the product you saw?" **252** Abad's affidavit indicates that this method was borne from experience: "x x x this time and distance by which an ordinary person may view and have a clear and full impression of a gin bottle is reasonable and may occur in and most closely approximates actual market conditions." **253**

Fifth, the data gathered was accurately reported and analyzed in accordance with acceptable statistical principles. For the field control of the survey, the field manager oversaw the proper implementation of the study. She was assisted by two field coordinators who trained and supervised the interviewers. Following the quality standards promised, at least 10% of the interviews were supervised and 20% of the balance were back-checked. **254**

Regarding the first question, 90% of the respondents associated the word "GINEBRA" with GSMI as top-of-mind mention, which consists of Ginebra San Miguel, San Miguel, La Tondeña, or Ginebra Blue. **255** This figure further increases to 92% when it includes total brand mentions. **256** Notably, only 1% of the respondents associated "GINEBRA" with Tanduay. **257** The word "GINEBRA" is practically exclusively associated with GINEBRA SAN MIGUEL. The association of the word "GINEBRA" with other brands is rather small and cannot be seriously taken because they are within the range of sampling error. **258**

With the second question, the survey shows that 82% of the respondents stated the products of GSMI, which consists of Ginebra San Miguel, San Miguel, La Tondeña, or Ginebra Blue, **259** when shown with the back view of the product of GINEBRA KAPITAN. Only 16% of the respondents correctly named the product as "GIN KAPITAN." **260** The back view of the GINEBRA KAPITAN bottle gives the impression that it is GINEBRA SAN MIGUEL, the product of GSMI. **261**

With the third question, the survey results indicate that 69% of the respondents associated it with GSMI, when the respondents were shown the front view of the product of GINEBRA KAPITAN, particularly, 86% and 83% of the respondents from GMA and South Luzon, respectively. **262** Only 6% of the respondents stated that the product was from Tanduay. **263** Notably, 25% of the respondents did not know the origin of the product. **264**

Sixth, the interviewers who asked the survey respondents were unaware of the ongoing litigation. Abad stated in her affidavit that the field interviewers, checkers, editor and encoders were not informed who the client was, nor that the survey was to be used in litigation. The use of a code name for the survey also prevents these persons from becoming biased. Project Bookman was run like any of the 300 or so surveys that NFO conducts every year. **265**

Abad likewise added that "[t]o ensure integrity, [NFO] also does not allow the client and its attorneys to participate in any aspect of the survey. [GSMI] and its counsel were intentionally not informed of the interview schedules and venues." **266** It was added that "[NFO] was paid only for conducting the survey and our fees were not conditioned upon the results thereof. [NFO] would have been paid even if the results were unfavorable to the client." **267**

Finally, the survey is supported at trial by expert testimony. At the time she testified in court about Project Bookman and Project Georgia, Abad had been in the field of market research for over 40 years. She designed market research studies for Proctor and Gamble, and was the project director for operations of Consumer Pulse, Inc., an independent company engaged in market research. In 1980, she founded Total Research Needs-MBL, Inc., which was renamed as NFO Trends, and subsequently renamed as TNS Trends. She was a fellow and founder of the Social Weather Stations, Inc., and a member of various

professional associations such as the Marketing and Opinion Research Society of the Philippines (of which she had also been president), British Market Research Society, and European Society for Opinion and Marketing Research. **268**

Accordingly, the Court finds that, due to its reliability, Project Bookman has substantial probative value in determining the distinctiveness of the word "GINEBRA," which the consumer associates with GSMI and its gin product. It also established that there was likelihood of confusion with GSMI and the product "GINEBRA KAPITAN" of TDI.

B. Project Georgia

The manner in which the survey codenamed Project Georgia was conducted is similar to that of Project Bookman. The Court finds that Project Georgia is also reliable and has probative value in the present case.

First, the sample tested was representative of the relevant consuming public. 65% of respondents were between 18 to 34 years old, about half are single, and about one third have completed high school, with very few possessed of college degrees. 72-77% were gainfully employed, mostly as service workers, craftsmen and unskilled workers. Respondents likewise consisted of male gin drinkers aged 18-55 years old from the same D-E Class. The sample profile is consistent with GSMI's target market. **269** The objective of the survey was to determine the extent to which Ginebra San Miguel Red is being identified with Ginebra Kapitan and Gin...Kapitan in terms of packaging. **270**

Second, 300 respondents were interviewed, and open-ended questions were asked to avoid bias. Ten (10) areas within Metro Manila were randomly selected. In each area, 2 central location sites were set up. Exactly 15 respondents (5 for each version) were interviewed in each central location. **271**

A central location is a home or office where an interviewing area is set up so that conversation is confined between the interviewer and the respondent. Controls were implemented to ensure that each audio-visual presentation (AVP) would be seen by an equal number of respondents with comparable socio-demographic characteristics. **272**

Third, the methodology adopted in Project Georgia was a face-to-face interview of respondents with the aid of a structured questionnaire. Aside from the questionnaire, respondents were asked to view an audio-visual presentation on a 29-inch colored television from 1-meter distance, of an actual drinking session from the perspective of a passer-by for at least 6 seconds. The drinking session consists of 5 friends drinking gin in front of a sari-sari store with two bottles of gin on the table in front of them. One bottle displays the front part, while the other, the back part. A glass is handed to one of the men who was urged by the rest of the group to finish up the drink. The last two seconds of the AVP showed the man finishing up his drink in one swig, for which he received a pat on the back from his friends as a sign of approval. The AVP was prepared in three versions which showed the same drinking situation and the same characters, the only difference being the brand of gin on the table. One AVP showed bottles of "GINEBRA SAN MIGUEL RED," a product of GSMI, and the other two showed bottles of "Ginebra Kapitan" and "Gin Kapitan," products of TDI, respectively. Each respondent viewed only one version of the randomly-assigned AVP. **273**

Fourth, after respondents had viewed the AVP, they were asked questions pertaining to the packaging of the gin product and their awareness of the gin brands. As regards packaging, respondents were asked the following questions: "Starting from the beginning, would you please relate to me everything that you have seen or heard in the video?" "What is the brand of the product being drunk in the video?" "Who do you think is the manufacturer of the product you saw in the video?" **274** Respondents were also asked about their awareness of other gin brands, as well as the last gin brand they drank, and the gin brand they drink most often. **275** Similar to Project Bookman, the questions were open-ended to avoid leading questions that would suggest the answer to the respondents.

Fifth, the data gathered from the survey was accurately reported and thoroughly analyzed. After viewing the audio-visual presentation that shows GSMI's product, respondents were asked what brand was the product shown in the video. The results showed that 80% of the respondents correctly identified the brand of GINEBRA SAN MIGUEL. **276** If the other pet names of GINEBRA SAN MIGUEL are considered, such as SAN MIGUEL, GINEBRA, BILOG, the figures rise to 94% as correct answers. **277**

On the other hand, when the product of GINEBRA KAPITAN was shown in the audio-visual presentation, a significant majority of the respondents mistakenly thought it was GINEBRA SAN MIGUEL. **278** The confusion was more likely if pet names given to GINEBRA SAN MIGUEL by consumers is considered. Thus, 70% of those respondents confused the product of "GINEBRA KAPITAN" with GSMI's "Ginebra," "Gin Bilog," or simply "Bilog." Only 10% of the respondents correctly identified the product of "GINEBRA KAPITAN" with its brand name in the AVP. **279**

The respondents in the survey shared the reasons why they identified GINEBRA SAN MIGUEL as the brand shown in the AVP. The label design (in particular, the archangel, *demonyo*, angel, etc.), and bottle shape are the key packaging elements that confused gin drinkers to say that GINEBRA KAPITAN was GINEBRA SAN MIGUEL. **280** When shown GINEBRA KAPITAN, its round bottle shape (45%), the predominant features in its label design (32%), and logo (13%) are the key specific elements that lead consumers into thinking that the group was drinking GINEBRA SAN MIGUEL. **281** On the other hand, 40% of the respondents relied on its label design features, 40% refer to the round bottle shape, and 26% referred to its logo in correctly identifying the product when the GINEBRA SAN MIGUEL product was shown in the AVP. **282**

As to the brand identification and awareness, the following results were shown by the survey:

3. Awareness of GSM Red (99%-99%) and GSM Blue (92%-94%) are both at saturation. Awareness of both Ginebra Kapitan (71%-76%) and Gin...Kapitan (55%-62%) are still far from saturation.

Majority of those aware of Ginebra Kapitan mis-identify the brand shown in the audiovisual presentation where the group was drinking Ginebra Kapitan as Ginebra San Miguel (63 incorrect brand identification out of 73 people aware of Ginebra Kapitan). **283**

When the respondents were asked to name the manufacturer of the brand shown on the AVP, more than three-fourths, or 84% of the respondents, incorrectly named either SAN MIGUEL CORPORATION or GINEBRA SAN MIGUEL or LA TONDEÑA as the manufacturer of GINEBRA KAPITAN. **284** On the other hand, a majority (86%) correctly named GSMI, which consists of San Miguel or Ginebra San Miguel or La Tondeña, as the manufacturer of GINEBRA SAN MIGUEL. **285**

Finally, NFO Trends employed a field manager who ensured the proper implementation of the survey, a field coordinator who trained and supervised the interviewers, as well as trained female interviewers. All interviews were conducted in the presence of the supervisor. **286** That the interviewers were not informed who the client was, or that the survey will be used in litigation may be inferred from the general manner in which safeguards on the integrity of the survey were put in place. **287** Similar to Project Bookman, the survey under Project Georgia was supported by the expert testimony of Abad, who is an expert in market research.

The foregoing indubitably shows that both surveys, Project Bookman and Project Georgia, complied with the parameters set forth to establish their credibility. The selection of the target market and sample size, the open-ended questions that ensured responses would not be skewed in favor of GSMI's products, the methods by which data was collected

and verified, were all adequately explained. Abad, who may be considered an expert in the field of market research, attests to the integrity of the empirical results.

The Court gives weight to the surveys since they are shown to have reliably established the true state of mind of gin drinkers and addressed the precise legal question before the Court, *i.e.*, how the appropriate group of consumers, in this case gin-drinkers, perceive GSMI's "Ginebra" gin product. The survey results reveal that an overwhelming majority of the gin-consuming public primarily identified the word "GINEBRA" with GSMI's brand of gin products.

In essence, Project Bookman showed 90% of the respondents associated the word "GINEBRA" with GSMI as top-of-mind mention. On the other hand, the association of the word with the other brands is rather insignificant since it is within the range of sampling error. **288** In Project Georgia, the survey showed that 84% of the respondents, incorrectly named either SAN MIGUEL CORPORATION or GINEBRA SAN MIGUEL or LA TONDEÑA as the manufacturer of GINEBRA KAPITAN. **289** The label design, bottle shape, and product logo were the significant elements that actually confused gin drinkers to say that GINEBRA KAPITAN was the same as GINEBRA SAN MIGUEL. **290**

Throughout the course of these consolidated cases, these survey evidence have been scrutinized by several tribunals and courts, which have the authority to adjudicate questions of facts and appreciate the weight of evidence. Upon review of the assailed decisions, the Court agrees with the findings of the CA in G.R. Nos. 210224, 216104, and 219632 that these consumer surveys are reliable, credible, and significant; and that the survey methodology and sampling size undertaken, and the resulting empirical data, were sufficient to establish the state of public perception with respect to the term "GINEBRA." The entire survey projects — from the crafting of the questions, the selection and sizing of the target market, the methods by which the data were collected in the field, up to the analysis of the results — were conducted in accordance with accepted standards of market research so as to ensure and maintain the accuracy, reliability and freedom from bias of the results. In her affidavit and testimony, Abad meticulously enumerated the safeguards applied in the conduct of the surveys to ensure the integrity and veracity of the empirical results. **291**

Conspicuously, Projects Bookman and Georgia remain uncontroverted. While TDI tried to discredit the surveys by arguing that the number of the respondents did not constitute enough sample of the consuming public to reach a conclusion about the strength of the "GINEBRA" brand, no evidence was provided to establish its counter-hypothesis. TDI simply made unsubstantiated allegations to dispute the empirical and scientific surveys presented by GSMI. In the same manner, TDI had the opportunity to cross-examine Abad and scrutinize the reliability of the results of the survey. However, TDI was utterly unsuccessful in discrediting her, and the survey data, figures, and outcome presented by GSMI.

To reiterate, NFO Trends which conducted the survey has been in the market research for a long enough time as to gain the trust of well-established corporations. Certainly, TDI cannot just claim that the research and survey methodologies of NFO Trends are wrong without substantiating it. And even if GSMI has the burden to show that the surveys are admissible as competent proof of their contents, as explained earlier, these were sufficiently established based on the utmost detail and specificity of the said surveys, the representative samples, the methodology employed, and the careful safeguards adopted to ensure the surveys' integrity. TDI could have commissioned their own independent survey if it truly wanted to scientifically discredit and disprove the results of NFO Trends' surveys as countervailing evidence. But for reasons unknown, it did not. In any event, the methodology utilized by NFO Trends is well-documented in Projects Bookman's and Georgia's reports and findings.

Verily, the Court finds that Projects Bookman and Georgia stand as credible proof that an overwhelming majority of the Filipino gin-consuming public primarily identified the word "GINEBRA," not as an ordinary term for gin, but specifically as GSMI's brand of gin products.

Other supporting evidence

Under the US Trademark Manual of Examining Procedure, large-scale expenditures in promoting and advertising goods and services under a particular mark are significant to indicate the extent to which a mark has been used. However, proof of an expensive and successful advertising campaign is not in itself enough to prove secondary meaning. **292** The ultimate test in determining whether a designation has acquired distinctiveness is the applicant's success, rather than its efforts, in educating the public to associate the proposed mark with a single source. There may be an examination of the advertising material to determine how the term is being used, the commercial impression created by such use, and what the use would mean to purchasers. **293** The applicant may indicate the types of media through which the goods and services have been advertised (e.g., national television) and how frequently the advertisements have appeared. **294**

Aside from survey evidence, GSMI also presented other evidence before the RTC to prove the distinctiveness of "GINEBRA" as its gin brand. Among them was the testimony of expert witness Ma. Elizabeth Gustilo, President and Chief Executive Officer of Lowe, Inc., an advertising agency belonging to a multi-national advertising network and who has been engaged in the field of advertising for about 25 years. Gustilo explained how the kind of advertisements employed by GSMI and its predecessors-in-interest helped cultivate a deep connection between Filipino gin drinkers, particularly those in target classes C, D and E, and GSMI's gin products. **295**

GSMI also submitted advertising materials it had used across decades, showing the use of the word "GINEBRA" in its gin products. The earliest documented print advertisement for "Ginebra San Miguel" appeared in the April 12, 1948 issue of *The Manila Times* (see below first photo on the left). The December 14, 1960 issue of *The Weekly Graphic Magazine* featured the story "The La Tondeña Story," where "Ginebra San Miguel" was showcased and photos of the plant where it was manufactured were shown **296** (see below photo on the right).



On December 31, 1968, *The Manila Chronicle* published a special issue entitled "The Don Carlos Palanca Story," about the founder and creator of "Ginebra San Miguel," which was described as the "oldest brand of local alcoholic drink" produced in the Philippines. 297 GSMI's evidence shows that in the course of time, "Ginebra San Miguel" was featured in numerous print and television advertisements. The following are sample advertisements that appeared in the 1990s:



The advertising materials submitted by GSMI contribute to the latter's long and consistent use of the word "GINEBRA" in marketing its brand of gin over the years. GSMI's lengthy and consistent use of the word "GINEBRA" in its advertisements, along with the fact that GSMI is the only gin manufacturer in the Philippines to ever viably do so, 298 as well as the inevitable decline of the Spanish language in public discourse, constituted the perfect storm of circumstances that allowed the word "GINEBRA" to undergo semantic shift and acquire a distinctive signification insofar as the Filipino public is concerned. The change in meaning of the word "GINEBRA" has already been empirically confirmed by Projects Bookman and Georgia.

While the survey evidence attests to the popularity and reputation of "GINEBRA" as the product of GSMI in the current market, it was the continuous marketing and advertisement of "GINEBRA," for more than 180 years, to the general populace that solidified public perception that such distinctive mark refers to the gin products of GSMI and its predecessors.

*Distinctiveness of GINEBRA;
non-applicability of the doctrine
of foreign equivalents*

Based on the totality of evidence, GSMI presented overwhelming proof, through empirical survey evidence, more than a century of advertisement, and documentary and testimonial evidence, that public perception views "GINEBRA" not as a generic English term for gin; rather, "GINEBRA," through its long usage in the Philippines, now refers to the gin products of GSMI to the public.

It is lamentable in G.R. No. 196372 that the CA, IPO Director General and BTO simply discarded all the evidence of GSMI after it opened a page of the dictionary as to the translation of "GINEBRA." Again, the doctrine of foreign equivalents is not an absolute rule and should only be considered as a guideline. Generally, a dictionary entry defining a word as a generic name of a class of products is reasonable evidence that the public perceives said word as such. **299** However, if any of the exceptions to the doctrine of foreign equivalents exists, such as the alternate meaning of mark and marketplace circumstances or the commercial setting in which the mark is used to demonstrate a different meaning, then said doctrine shall not be applied.

Ultimately, public perception based on the primary significance test shall determine whether a term is generic. Reference to a dictionary is only one of the various benchmarks to determine public perception based on the peculiar circumstances of each case. Dictionary definitions, though relevant and sometimes persuasive to the genericness inquiry based on the assumption that such definitions generally reflect the public's perception of a word's meaning, are not necessarily dispositive or controlling. **300** Further, there is likely to be a delay between a word's acceptance into common usage and its entry in a dictionary. Dictionary entries also reflect lexicographical judgment and editing which may distort a word's meaning or importance. A court accepting a dictionary entry at face value is in effect adopting the lexicographical judgment as its own, even though such a judgment might be based on printed matter which, if offered in evidence, would not be controlling. **301**

Direct consumer evidence, such as consumer surveys and testimony, is preferable to indirect forms of evidence, such as dictionaries, trade journals, and other publications. **302** If the doctrine of foreign equivalents is to be applied, an analysis of the evidence of record, including translation evidence, the nature of the foreign and English combined-wording, and any other relevant facts and evidence should be considered. **303**

Here, the entirety of the evidence presented by GSMI, shows the public perception with respect to the term, "GINEBRA" and it cannot be gainsaid that an ordinary Filipino purchaser would "stop and translate the foreign word into its English equivalent." As stated by Project Bookman, which is a direct consumer survey, 90% of the respondents readily associated the word "GINEBRA" with the gin product of GSMI. Evidently, the doctrine of foreign equivalents is not applicable. Almost the entire consuming public will not stop and translate the Spanish word "GINEBRA" to its English equivalent based on the dictionary. Instead, the consuming public immediately associates "GINEBRA" with the gin product of GSMI because of the primary significance the public associate with the mark.

On the other hand, TDI merely presented Rosales, the Vice-President of J. Salcedo and Associates, Inc., who coined "GINEBRA KAPITAN," to testify that based on the opinion of five people, without any substantial, empirical, and supporting evidence, the word "GINEBRA" is a generic term because its English-translation is "gin," to wit:

xxx xxx xxx

Atty. Da Costa:

Who said that the word GINEBRA is used to identify the product itself that is GIN, who among the five of you?

Mr. Rosales:

Actually, the five of us agreed GINEBRA because we believe that Ginebra is a common name that is generic.

Q: What is your basis for saying that Mr. Witness?

A: It's just like Ginebra is a Spanish name, equivalent to Gin.

Q: Do you speak Spanish, Mr. Witness?

A: No [h]abla espanol. **304**

As aptly opined by the CA in G.R. No. 219632, mere reference to the dictionary meaning of a contested mark, to determine whether or not "GINEBRA" is a generic term to ultimately solve the issue of trademark infringement is too simplistic. To resolve an issue, which is likely to go down in the annals of trademark history and legal jurisprudence, by just glancing at a dictionary will not suffice. Neither should the resolution of such a monumental issue be left to the whims of a five-person discussion between Rosales and TDI executives to subjectively decide that the term "GINEBRA" is generic. **305**

Further, as keenly elucidated by Justice Caguioa, "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. 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." **306**

The Court finds that "GINEBRA," based on public perception under the primary significance test, is not a generic term. Rather, it is considered a descriptive mark because it characterizes the gin product of GSMI, which may be registerable under the doctrine of secondary meaning due to the long usage of "GINEBRA" and it coming to be known by the consuming public as specifically and particularly designating the gin product of GSMI.

Doctrine of secondary meaning

Under the doctrine of secondary meaning, a word or a phrase that is "originally incapable of exclusive appropriation" may nonetheless be used as a trademark of an enterprise if such word or phrase — by reason of the latter's long and exclusive use thereof with reference to its article — has "come to mean that such article was [its] product." **307** The doctrine was articulated in our jurisdiction in the case of *Philippine Nut Industry, Inc. v. Standard Brands, Inc.*: **308**

This Court held that the 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.

By way of illustration, is the word "Selects" which according to this Court is a common ordinary term in the sense that it may be used or employed by any one in promoting his business or enterprise, but which once adopted or coined in connection with one's business as an emblem, sign or device to characterize its products, or as a badge of authenticity, may acquire a secondary meaning as to be exclusively associated with its products and business, so that its use by another may lead to confusion in trade and cause damage to its business.

The applicability of the doctrine of secondary meaning to the situation now before Us is appropriate because there is oral and documentary evidence showing that the word PLANTERS has been used by and closely associated with Standard Brands for its canned salted peanuts since 1938 in this country. Not only is that fact admitted by petitioner in the amended stipulation of facts, but the matter has been established by testimonial and documentary evidence consisting of invoices covering the sale of "PLANTERS cocktail peanuts." In other words, there is evidence to show

that the term PLANTERS has become a distinctive mark or symbol insofar as salted peanuts are concerned, and by priority of use dating as far back as 1938, respondent Standard Brands has acquired a preferential right to its adoption as its trademark warranting protection against its usurpation by another. *Ubi jus ibi remedium*. Where there is a right there is a remedy. Standard Brands has shown the existence of a property right and respondent Director has afforded the remedy. **309**

On the other hand, in *Lyceum of the Philippines, Inc. v. Court of Appeals*, **310** the Court explained that under the doctrine of secondary meaning, a word or phrase originally incapable of exclusive appropriation with reference to an article in the market, because geographical or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to this article that, in that trade and to that group of the purchasing public, the word or phrase has come to mean, that the article was his produce. This circumstance has been referred to as the distinctiveness into which the name or phrase has evolved through the substantial and exclusive use of the same for a considerable period of time. Consequently, the same doctrine or principle cannot be made to apply where the evidence did not prove that the business has continued for so long a time that it has become of consequence and acquired a good will of considerable value such that its articles and produce have acquired a well-known reputation, and confusion will result by the use of the disputed name. **311**

To repeat, Sec. 123 of R.A. No. 8293 states that descriptive marks are generally not registrable as trademarks, viz.:

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

xxx xxx xxx

(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;

Nevertheless, Sec. 123.2 of R.A. No. 8293 embodies the doctrine of secondary meaning, to wit:

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)

In *Shang Properties Realty Corp. v. St. Francis Development Corp.*, **312** the Court enumerated the specific requirements that have to be met in order to conclude that a geographically-descriptive mark has acquired secondary meaning, to wit: (a) the secondary meaning must have arisen as a result of substantial commercial use of a mark in the Philippines; (b) such use must result in the distinctiveness of the mark insofar as the

goods or the products are concerned; and (c) proof of substantially exclusive and continuous commercial use in the Philippines for five (5) years before the date on which the claim of distinctiveness is made. Unless secondary meaning has been established, a geographically-descriptive mark, due to its general public domain classification, is perceptibly disqualified from trademark registration. **313**

In this case, "GINEBRA" may be considered a descriptive mark because the term is more accurately translated to "Genever" or "Jenever," the juniper berry-flavored grain spirit which originated from the Netherlands in the 17th century, a specific kind of gin. **314**

There are different kinds of gin: Juniper-flavored spirit drink is a type of gin produced by flavoring ethyl alcohol of agricultural origin and or grain spirit and/or grain distillate with juniper. Traditional gin is produced by flavoring organoleptically suitable ethyl alcohol of agricultural origin with juniper berries. Distilled gin is another type of gin produced exclusively by redistilling organoleptically suitable ethyl alcohol of agricultural origin of an appropriate quality. Finally, London gin is style of gin obtained exclusively from ethyl alcohol of agricultural origin, whose flavor is introduced exclusively through redistillation. **315**

The styles of gin may further be classified based on its country of origin. Juniper-flavored spirit drinks originating from the Netherlands, Belgium, France, or Germany, are called Genièvre/Jenever/Genever. If the country of origin is the United Kingdom, the Juniper-flavored spirit drink is called Plymouth Gin. **316**

Indeed, when a mark describes the kind of gin, it may be subject to trademark protection under the doctrine of secondary meaning. In the US case of *United States v. Thirty-Six Bottles of London Dry Gin*, **317** the term "LONDON DRY GIN" was considered as a descriptive and distinct kind of gin. It was held therein that the term describes a well-known liquor, having certain characteristics that identify it wherever it may be made. **318**

Here, the term "GINEBRA" describes a particular kind of gin, "Genever" or "Jenever," the juniper berry-flavored grain spirit which originated in the Netherlands. Verily, it describes the kind of gin product of GSMI. Accordingly, this satisfies one of the requisites of the doctrine of secondary meaning.

Further, according to the US Trademark Manual of Examining Procedure, survey evidence, market research, and consumer reaction studies are relevant in establishing acquired distinctiveness and secondary meaning. **319** Although survey evidence is not required, it is a valuable method of showing secondary meaning. **320** To show secondary meaning, the survey must show that the consuming public views the proposed mark as an indication of the source of the product or service. **321** Evidence of secondary meaning may be sufficient if it shows that a substantial portion of the consuming public associates the proposed mark with a single source. **322** Although all evidence must be reviewed on a case-by-case basis, generally, survey results showing less than 10% consumer recognition are insufficient to establish secondary meaning, and results over 50% may be sufficient to establish secondary meaning. **323** However, the probative value of a survey is significantly weakened, despite consumer recognition rates greater than 50%, if there are flaws in the way the survey is conducted. **324**

As stated above, the survey evidence, along with the other documentary and testimonial evidence presented by GSMI, established that, while the term "GINEBRA" is a descriptive term for a gin product, said word had already become distinctive of the products of GSMI in view of the latter's extensive and substantive use of the term "GINEBRA" on its gin products for over one hundred eighty (180) years. To reiterate Project Bookman showed 90% of the respondents associated the word "GINEBRA" with GSMI as top-of-mind mention. **325** In Project Georgia, the survey showed that 86% of the respondents correctly named GSMI as the manufacturer of the GINEBRA SAN MIGUEL

product. **326** This demonstrates that the prolonged use of the descriptive mark in commerce satisfied another requisite of the doctrine of secondary meaning.

Finally, the exclusive use of the descriptive mark was likewise established. As correctly observed by the CA in G.R. No. 219632, viz.:

Moreover, even if it may be true that there had been attempts by other entities to register the mark "GINEBRA" or market their products hearing the said mark, as [TDI] pointed out in the testimony of their witnesses, **these entities have not actively utilized the term or that the consuming public was never saturated with products containing the mark "GINEBRA." In fine, one may make advertisements, issue circulars, distribute price list on certain goods, but these alone will not inure to the claim of ownership of the mark until the goods bearing the mark are sold to the public in the market.** Against these pieces of evidence, [TDI] was unable to present countervailing evidence. [TDI] also failed to demonstrate by providing studies or any authority to discount GSMI's claim as to how effective its brand management and promotions were particularly on the aspect of the so called "emotional branding," or that "GINEBRA" has been "culturally branded" to demonstrate the Filipino spirit of resilience and never-say-die attitude. **327** (emphasis supplied)

Aptly, GSMI's product was the only well-known "GINEBRA" brand in the market based on public perception under the primary significance test. While the competitors of GSMI contemplated to use the word "GINEBRA" in their products, nearly all of their attempts never materialized. It was only Webengton Distillery, which actually utilized "GINEBRA PINOY" but currently no longer available, and TDI, with "GINEBRA KAPITAN," which attempted to introduce their product in the market. To defend its interests, GSMI immediately instituted legal actions for infringement against both Webengton Distillery and, currently, TDI to protect its rights under the distinct mark of "GINEBRA." **328**

As GSMI satisfied all the requisites of the doctrine of secondary meaning with respect to descriptiveness, prolonged commercial use, and exclusivity in the market, the descriptive mark "GINEBRA" can still be protected under the trademark laws and may be registered in favor of GSMI, to the exclusion of others. Indeed, even assuming that "GINEBRA" may be the descriptive term for a class of alcoholic drink, it does not detract from the fact that "GINEBRA," through its long usage in the Philippines, now commonly refers to the gin products of GSMI, in particular, to "GINEBRA SAN MIGUEL," a registered trademark of GSMI, which has already acquired a secondary meaning. **329**

Notably, in the subsequent Decisions of the Director General of the IPO dated December 27, 2019 **330** and December 16, 2020, **331** said Director General changed its earlier position and ruled that GSMI may use the word "GINEBRA" exclusively under the doctrine of secondary meaning, to wit:

This Office sees no cogent reason to overturn the finding of the Director of Legal Affairs and of this Office in earlier cases that GINEBRA is generic or descriptive.

However, the discussion should not stop there. As GINEBRA is likewise descriptive, the doctrine of secondary meaning under Sec. 123.2 may still apply, so long as [GSMI] is able to present "proof of substantially exclusive and continuous use [of the mark] in commerce in the Philippines for five (5) years before the date on which the claim of distinctiveness is made." **332**

In addition to proof of the exclusive and continuous use of the term GINEBRA, [GSMI] was also able to provide evidence that such term has become distinctive and that the consuming public has associated GINEBRA with [GSMI] and its products. The July 2003 consumer survey Project Bookman presented by [GSMI] showed that 92% of the respondents associated the word GINEBRA with "Ginebra San Miguel" (the registered mark affixed to the gin products of its manufacturer, [GSMI], whose corporate name is also GINEBRA SAN MIGUEL), "San Miguel" (part of the names of the registered mark and the manufacturer), "La Tondeña" (the name of the predecessor of [GSMI]) or "Ginebra Blue" (another product of [GSMI]). From the survey, it is clear that the term GINEBRA is linked with [GSMI]'s gin products to which the registered marks are affixed, and eventually the same generic or descriptive term GINEBRA points to GINEBRA SAN MIGUEL, INC. as the origin of the goods.

All told, the use of the registered mark GINEBRA SAN MIGUEL already indicates that the gin product to which it is affixed comes from [GSMI]. However, by reason of the repeated implied association between the generic or descriptive term GINEBRA and the registered mark GINEBRA SAN MIGUEL in relation to the gin products, the use of such term eventually and inevitably performs the same function as the registered mark. GINEBRA SAN MIGUEL, therefore, has come to be equated to GINEBRA. The reverse is also true: GINEBRA to GINEBRA SAN MIGUEL. **333**

*Dissecting Sec. 123.2 of
R.A. No. 8293 and the doctrine
of secondary meaning*

Assuming even further that "GINEBRA" was originally generic more than a century ago and does not have any protection under the trademark law, it does not forestall the possibility that the such mark evolved in the spectrum of distinctiveness, particularly, to a descriptive mark, that may be registrable based on the doctrine of secondary meaning under the primary significance test. Only when a term evolves into a higher rank in the spectrum of distinctiveness, such as a suggestive mark or even a descriptive mark, under the doctrine of secondary meaning, shall such term become registrable. Otherwise, if the term remains generic, despite the passage of time, under the primary significance test, then the generic mark remains unregistrable. To repeat, public perception is the ultimate factor to be considered in determining whether a particular word is generic or not. **334**

Examining Sec. 123.2 of R.A. No. 8293, which is the statutory basis of the doctrine of secondary meaning, it can be discerned that the same is made up of two (2) clauses:

1. The **first clause**, which reads: "*[a]s 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.*"
2. The **second clause**, which reads: "*[t]he 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.*"

The first clause of the provision, though mentioning only descriptive terms and geographical names (*i.e.*, those terms and names under paragraphs [j], [k] and [l] of Sec.

123.1 of R.A. No. 8293), is not a categorical statement that "only" such terms have the capacity to acquire secondary or distinctive meaning. The second clause of Sec. 123.2 of R.A. No. 8293, on the other hand, only allows the IPO to draw a *prima facie* presumption of distinctive meaning in favor of a prospective "mark" whenever it is proven that such mark had been used by an applicant in the specific manner and for a specific length of time as stated in the provision. Neither clause, however, explicitly precludes words with generic connotations from subsequently evolving after an extensive passage of time, and acquiring distinctive signification based on public perception.

At best, Sec. 123.2 of R.A. No. 8293 only authorizes the IPO to consider "proof of substantially exclusive and continuous use [of a descriptive term or geographical name] in commerce in the Philippines for five (5) years," as "*prima facie* evidence" that such descriptive term or geographical name has already become distinctive. The provision, however, neither explicitly precludes words with originally generic connotations a long time ago from subsequently evolving into a distinctive term, nor prevents the BOT or the IPO from admitting and appreciating evidence to that effect.

The absence of a categorical statement that "only" descriptive terms and geographical names may be registrable under Sec. 123.2 of R.A. No. 8293 shows that the provision does not foreclose the possibility that a generic term a century ago can change and evolve its meaning to the consuming public based on the primary significance test. However, it must be stressed that if the generic mark remains generic in the eyes of the consuming public despite the passage of time and wide-ranged marketing, such generic mark shall not benefit from the doctrine of secondary meaning and shall remain unregistrable because it is not distinctive.

Indeed, the law gives preferential treatment to those marks under paragraphs [j], [k] and [l] of Sec. 123.1 to receive *prima facie* evidence of distinctiveness. Nevertheless, marks may likewise evolve, transform, develop, and eventually becoming distinctive marks under the primary significance test. **335 Only when these marks are distinctive may these be registered under R.A. No. 8293.**

Again, the determination of the genericness of a mark depends on public perception based on the primary significance test. Under Sec. 151.1 (b) of R.A. No. 8293, in determining whether a registered trademark has become generic, "the primary significance of the registered mark to the relevant public" is considered. **336** As extensively discussed earlier, a generic term 100 years ago may evolve and become a distinctive mark today based on the shift of public perception based on the primary significance attributed to the term. Conversely, a distinctive mark 100 years ago, which could even be registered as a trademark back then, may devolve as a generic mark today based on the change of public perception. Accordingly, to determine whether a mark has altered its rank in the spectrum of distinctiveness, the applicant is allowed to present evidence to establish the distinctiveness of a mark, even if not originally covered by paragraphs [j], [k] and [l] of Sec. 123.1 of R.A. No. 8293.

In other words, there is nothing in R.A. No. 8293 that prevents a previous generic term a long time ago 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. At the same time, if a term remains generic based on public perception under the primary significance test, despite the passage of time and change in public perception, then such term shall definitely not evolve as a descriptive term and shall not be registrable under the doctrine of secondary meaning.

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 "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.

Trademark infringement

In G.R. Nos. 210224 and 219632, one of the issues raised is whether TDI committed trademark infringement against GSMI when it named its gin product "GINEBRA KAPITAN." In its August 15, 2003 Complaint, **337** GSMI claimed that TDI used the mark "GINEBRA" in manufacturing, distributing and marketing its gin product "GINEBRA KAPITAN." The use of the said mark, coupled with the colorable imitation of GSMI's bottle and label designs for "Ginebra," caused confusion to, and deceived, the general public as they were made to believe that "Ginebra Kapitan" was being manufactured, distributed and sold by GSMI. **338**

According to GSMI, it has registered several trademarks, such as "GINEBRA SAN MIGUEL" and "GINEBRA S. MIGUEL 65," and that "GINEBRA" is the dominant feature of these trademarks; and GSMI, by itself and through its predecessors-in-interest, have been continuously marketing and distributing throughout the Philippines the said trademarks since 1834, as evidenced by the special issue of the Manila Chronicle dated December 31, 1968. **339** Thus, GSMI claims that TDI committed trademark infringement when it used "GINEBRA KAPITAN" in its gin products because the dominant feature "GINEBRA" was already being exclusively used by GSMI in its registered trademarks. Notably, even the term "GINEBRA" is included in the tradename of GSMI itself.

Trademark infringement is defined under R.A. No. 8293 as follows:

SECTION 155. Remedies; Infringement. — Any person who shall, without the consent of the owner of the registered mark:

155.1. Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a **dominant feature** thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

155.2. Reproduce, counterfeit, copy or colorably imitate a registered mark or a **dominant feature** thereof and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action for infringement by the registrant for the remedies hereinafter set forth: Provided, That the infringement takes place at the moment any of the acts stated in Subsection 155.1 or this subsection are committed regardless of whether there is actual sale of goods or services using the infringing material. **340** (emphasis supplied)

In *Societe des Produits Nestle, S.A. v. Dy, Jr.*, **341** the Court held that the elements of infringement under the IP Code are:

1. The trademark being infringed is registered in the Intellectual Property Office; 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.

In *Superior Commercial Enterprises, Inc. v. Kunnan Enterprises Ltd.*, **342** the Court stated that to establish trademark infringement, the following elements must be proven: (1) the validity of plaintiff's mark; (2) the plaintiff's ownership of the mark; and (3) the use of the mark or its colorable imitation by the alleged infringer results in likelihood of confusion.

In *Mang Inasal Philippines, Inc. v. IFP Manufacturing Corp.*, it was stated that the first condition of the proscription requires resemblance or similarity between a prospective mark and an earlier mark. Similarity does not mean absolute identity of marks. To be regarded as similar to an earlier mark, it is enough that a prospective mark be a colorable imitation of the former. Colorable imitation denotes such likeness in form, content, words, sound, meaning, special arrangement or general appearance of one mark with respect to another as would likely mislead an average buyer in the ordinary course of purchase. **343**

Here, GSMI has several registered trademarks that contain the word "GINEBRA." Its own trade name is GINEBRA SAN MIGUEL, INC. On the other hand, TDI, subsequently also applied for trademark registration using the words "GINEBRA KAPITAN," and has also distributed its gin products to the market labelled as "GINEBRA KAPITAN." The Court is tasked to determine whether trademark infringement exists such that "GINEBRA" is the dominant feature in the registered trademarks of GSMI, and thus, cannot be appropriated by TDI.

In *ABS-CBN Publishing, Inc. v. Director of the Bureau of Trademarks*, **344** the Court declared that in determining whether a mark is to be considered as "identical" or that which is confusingly similar with that of another, the Court has develop two (2) tests: the dominancy and holistic tests. While the Court has time and again ruled that the application of the tests is on a case-to-case basis, upon the passage of the R.A. No. 8293, the trend has been to veer away from the usage of the holistic test and to focus more on the usage of the dominancy test. **345** As stated by the Court in the case of *McDonald's Corporation v. L.C. Big Mak Burger, Inc.*, **346** the test of dominancy is now explicitly incorporated into law in Sec. 155.1 of the IPC, which defines infringement as the colorable imitation of a registered mark or a dominant feature thereof. **347**

In the recent case of *Kolin*, **348** the Court conclusively ruled that the dominancy test is the prevailing rule; while the holistic test has been abandoned, to wit:

Considering the adoption of the Dominancy Test and the abandonment of the Holistic Test, as confirmed by the provisions of the IP Code and the legislative deliberations, the Court hereby makes it crystal clear that the use of the Holistic Test in determining the resemblance of marks has been abandoned. **349**

Under the dominance test, in committing the infringing act, the infringer merely introduces negligible changes in an already registered mark, and then banks on these slight differences to state that there was no identity or confusing similarity, thus resulting in no infringement. This kind of act, which leads to confusion in the eyes of the public, is exactly the evil that the dominance test refuses to accept. The small deviations from a registered mark are insufficient to remove the applicant mark from the ambit of infringement. **350**

In this case, the RTC applied both the dominance test and the holistic tests. It held that the dominant mark of "GINEBRA KAPITAN" is the composite mark, which is strategically placed in the middle of the label to emphasize the name of the product. On the other hand, the dominant feature of GSMI's "GINEBRA S. MIGUEL" is the image of an angel wielding a sword against a fallen devil, and not the word, "GINEBRA." **351**

The RTC also ruled that employing the holistic test, it was evident that the labels and packaging of the competing products were not to likely cause confusion to the consuming public. The similarity between "GINEBRA KAPITAN" and "GINEBRA S. MIGUEL" pertained only to the transparent bottles of both products. According to the trial court, the labels and the bottle caps, on the other hand, were different from each other. **352**

The Court finds that the RTC erred in applying the holistic test. As stated in *Kolin*, the holistic test has been conclusively abandoned in Our jurisdiction. Nevertheless, the Court likewise rules that the RTC erred in appreciating the dominance test in declaring that there was no trademark infringement.

In *National Federation of Hog Farmers, Inc. v. Board of Investments*, **353** the Court held that:

There should be objective, scientific, and economic standards to determine whether goods or services offered by two parties are so related that there is a likelihood of confusion. In a market, the relatedness of goods or services may be determined by consumer preferences. When two goods are proved to be perfect substitutes, where the marginal rate of substitution, or the "consumer's willingness to substitute one good for another while maintaining the same level of satisfaction" is constant, then it may be concluded that the goods are related for the purposes of determining likelihood of confusion. Even goods or services, which superficially appear unrelated, may be proved related if evidence is presented showing that these have significant cross-elasticity of demand, such that changes of price in one party's goods or services change the price of the other party's goods and services. **Should it be proved that goods or services belong to the same relevant market, they may be found related even if their classes, physical attributes, or purposes are different.** **354** (emphases supplied)

Indeed, with respect to the requisite of likelihood of confusion in trademark infringement, it is not sufficient that a court applies a subjective analysis on whether there is likelihood of confusion among competing goods. There should be objective, scientific, and economic standards to determine whether goods or services offered by two parties are so related that there is a likelihood of confusion. **355** As stated above, should it be proved that goods or services belong to the same relevant market, they may be found related even if their classes, physical attributes, or purposes are different. **356**

The applicable test herein is the dominance test based on Sec. 155 of R.A. No. 8293. The pictures of the competing products are reproduced below: **357 358**



On the surface, based merely on the visuals of the labels, the striking feature for "GINEBRA KAPITAN" seems to be the name and the label; while the prevalent feature for "GINEBRA S. MIGUEL" is the drawing on the label. On the other hand, the colors of the bottle caps are different. 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." **359** Notably, in both marks, the central figure appears to be on the offensive, using a bladed weapon. Nevertheless, to achieve a more objective and empirical examination, it must be determined how an ordinary purchaser would react to such marks and whether there would be confusing similarity between the two products in the light of public perception.

Survey evidence is meaningful to establish the likelihood of confusion. **360** A consumer survey that measures consumer confusion is an effective way to ensure that trademark infringement cases are decided based on empirical facts about likely consumer confusion instead of on judicial assumptions about how consumers are likely to respond. **361** Indeed, survey evidence can measure whether an appreciable number of relevant consumers are likely to be confused by a mark that may or may not already be in the marketplace, and offers an economical and systematic way to gather information and draw inferences about a large number of individuals. **362**

In the recent case of *Levi Strauss & Co. v. Sevilla*, **363** the Court considered the survey evidence presented, Project Cherokee 5, to support the finding that there was actual confusion between the goods branded as LEVI'S and LIVE'S, which resulted to the cancellation of the subsequent registration of LIVE's, to wit:

Here, there is evidence on record showing that there were already numerous instances of actual confusion between petitioner's and respondents' goods brought about by the similarity of their marks, labels, and products. As may be gleaned from the Final Report on Project Cherokee 5, 86% of the survey participants associated the "LIVE'S" mark with "LEVI'S;" and 90% of same participants read the stylized "LIVE'S" mark, as "LEVI'S." **364**

In Project Bookman, 90% of the respondent gin-drinkers associate the word "GINEBRA" with GSMI's products. **365** 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. **366** 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. **367** 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." **368** 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."

Also, unlike in the label of "GINEBRA SAN MIGUEL" where the consumer can immediately identify the same as a product of GSMI, it is not immediately apparent from the label or bottle design of "GINEBRA KAPITAN" because it does not readily or promptly

indicate it as a product of TDI. Hence, considering that "GINEBRA SAN MIGUEL" and "GINEBRA KAPITAN" are both gin products, it is very likely that the consuming public would be misled into thinking that "GINEBRA KAPITAN" is also a gin product of GSMI since it is the latter which is known to carry the distinctive mark of "GINEBRA." This is supported by the survey evidence, which showed that more than 80% of the respondents associated "GINEBRA KAPITAN" being a product of GSMI. **369**

Further, in Project Georgia, the respondents 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. **370** On the other hand, 40% of the respondents relied on its label design features, 40% on the round bottle shape, and 26% on the logo in correctly identifying the product when the GINEBRA SAN MIGUEL product was shown in the AVP. **371** Evidently, the dominant features in the products of GSMI and TDI, particularly, the label design, logo, and bottle shape led the respondents to believe that GINEBRA KAPITAN was a product of GSMI. This is undoubtedly strong evidence of actual confusion, where the consumers are misled to believe that GINEBRA KAPITAN originated from GSMI. As shown in *Levi Strauss & Co. v. Sevilla*, **372** survey evidence, which indicate actual or even only likelihood of confusion between competing goods, shall result in the cancellation or denial of the trademark registration of the infringer.

As meaningfully discussed by Justice Mario Lopez, "applying the Dominancy Test, the word 'GINEBRA' is the dominant feature of these marks. This reveals TDI's intention to use 'GINEBRA' as a distinctive term — not merely as a generic or descriptive term. This observation is consistent with the survey evidence showing that 90% of more than 6 million gin drinkers in Greater Manila Area, North Luzon, and South Luzon associated 'GINEBRA' with GINEBRA SAN MIGUEL, SAN MIGUEL, or LA TONDEÑA. Thus, 'GINEBRA' is a distinctive mark that distinguishes GSMI's gin products from other manufacturers." **373**

To reiterate, the term "GINEBRA" has been so deeply ingrained in the general psyche of the Filipinos that it is conveniently and exceptionally associated with GSMI's "GINEBRA SAN MIGUEL" gin products, more particularly, "GINEBRA S. MIGUEL." Thus, an ordinary purchaser, even one accustomed to drinking gin, may likely be confused into buying a "GINEBRA KAPITAN" thinking it is a "GINEBRA" product of GSMI. The element of likelihood of confusion, which is the gravamen of trademark infringement, **374** between the two products, since "GINEBRA KAPITAN" used the distinct mark "GINEBRA," has been fulfilled in this case.

Further, the Court disagrees with the view of the IPO Director General in G.R. No. 216104 that the public would buy GINEBRA KAPITAN, not because they associate this product as that of GSMI, but because they find this gin product suitable to their taste. **375** The target market of these gin products was the class D and E consumers. **376** When going to the store, there is no existing or objective evidence presented that an ordinary consumer from the said classes would 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."

The simple use of the word, "GINEBRA" in "GINEBRA KAPITAN" is sufficient to incite an average person, even a gin-drinker, to associate it with GSMI's gin product, in particular, "GINEBRA SAN MIGUEL" and/or "GINEBRA S. MIGUEL." **377** Verily, TDI committed trademark infringement against GSMI.

Unfair competition

The claim of unfair competition is primarily factual in nature. **378** The purpose of prosecuting unfair competition is to prohibit and restrict deception of the consuming public whenever persons or firms attempt to pass off their goods or services for another's. The underlying prohibition against unfair competition is that business competitors cannot do acts which deceive, or which are designed to deceive the public into buying their goods or availing their services instead. **379** The relevant provisions of R.A. No. 8293 regarding unfair competition state:

SECTION 168. Unfair Competition, Rights, Regulation and Remedies. —

168.1. A person who has identified in the mind of the public the goods he manufactures or deals in, his business or services from those of others, whether or not a registered mark is employed, has a property right in the goodwill of the said goods, business or services so identified, which will be protected in the same manner as other property rights.

168.2. Any person who shall employ deception or any other means contrary to good faith by which he shall pass off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce said result, shall be guilty of unfair competition, and shall be subject to an action therefor.

168.3. In particular, and without in any way limiting the scope of protection against unfair competition, 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.

xxx xxx xxx

The essential elements of an action for unfair competition are: (1) confusing similarity in the general appearance of the goods, and (2) intent to deceive the public and defraud a competitor. Unfair competition is always a question of fact. **380**

Here, the first element of unfair competition has been established. There is confusing similarity between the "GINEBRA KAPITAN" of TDI and "GINEBRA SAN MIIGUEL" of GSMI because both of them bear the distinctive mark "GINEBRA." An ordinary purchaser would be confused when confronted with the products bearing the distinct mark of "GINEBRA," which has been established to be associated with GSMI products by the consuming public.

As to the second element of unfair competition, there must be intent to deceive the public and defraud a competitor. The element of intent to deceive and to defraud may be inferred from the similarity of the appearance of the goods as offered for sale to the public. Actual fraudulent intent need not be shown; **381** probable intent to deceive the consuming public is sufficient.

Protection against unfair competition is not intended to create or foster a monopoly and the court should always be careful not to interfere with free and fair competition, but should confine itself, rather, to preventing fraud and imposition resulting from some real resemblance in name or dress of goods. Nothing less than conduct tending to pass off one man's goods or business as that of another will constitute unfair competition. Actual or probable deception and confusion on the part of customers by reason of defendant's practices must always appear. **382**

The Court finds that the second element of unfair competition was also satisfied. As in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters available, TDI had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark. **383** During trial, TDI's witness, Rosales, admitted that they knew that GSMI has products with the label "GINEBRA," **384** which is obvious because of the popularity and iconic status of the "GINEBRA" brand of GSMI. Nevertheless, TDI still took the risk and continued to use the said term in its "GINEBRA KAPITAN" product, banking on the flawed argument that "GINEBRA" is a generic term. **385**

Verily, TDI erred in its marketing decision to use the word "GINEBRA" in its products and caused confusion to the consuming public regarding their products with those of GSMI. The evidence of GSMI showed that an overwhelming number of respondents have mistakenly believed that "GINEBRA KAPITAN" was the product of GSMI because of the improper use of the distinctive and dominant mark "GINEBRA." For that, TDI committed unfair competition against GSMI. The Court adopts with approval the cogent observation of the CA on the matter in G.R. No. 210224, thus:

In the case at bench, it cannot be denied that TDI knew fully well that GSMI has been using the mark/word "GINEBRA" in its gin products and that GSMI's "GINEBRA SAN MIGUEL" had already obtained, over the years, a considerable number of loyal consumers who associate the mark "GINEBRA" with San Miguel. Yet, it chose to use the same mark/word in launching the same gin product. TDI's choice of the word "GINEBRA" as part of the trademark of its "GINEBRA KAPITAN" gin tended to show their intention to pass off their gin as that of GSMI and ultimately to ride on the popularity and established goodwill of "Ginebra San Miguel." Such act clearly constitutes unfair competition. **386**

As persuasively articulated by Justice Caguioa, "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 appearance 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." **387**

Remedies and Damages

The following are the statutory provisions for damages whenever trademark infringement and unfair competition are committed:

SECTION 156. *Actions, and Damages and Injunction for Infringement.* —

156.1. The owner of a registered mark may recover damages from any person who infringes his rights, and the measure of the damages suffered shall be either the reasonable profit which the complaining party would have made, had the defendant not infringed his rights, or the profit which the defendant actually made out of the infringement, or in the event such measure of damages cannot be readily ascertained with reasonable certainty, then the court may award as damages a reasonable percentage based upon the amount of gross sales of the defendant or the value of the services in connection with which the mark or trade name was used in the infringement of the rights of the complaining party.

156.2. On application of the complainant, the court may impound during the pendency of the action, sales invoices and other documents evidencing sales.

156.3. In cases where actual intent to mislead the public or to defraud the complainant is shown, in the discretion of the court, the damages may be doubled.

156.4. The complainant, upon proper showing, may also be granted injunction.

SECTION 157. *Power of Court to Order Infringing Material Destroyed.* —

157.1 In any action arising under this Act, in which a violation of any right of the owner of the registered mark is established, the court may order that goods found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or destroyed; and all labels, signs, prints, packages, wrappers, receptacles and advertisements in the possession of the defendant, bearing the registered mark or trade name or any reproduction, counterfeit, copy or colorable imitation thereof, all plates, molds, matrices and other means of making the same, shall be delivered up and destroyed.

157.2. In regard to counterfeit goods, the simple removal of the trademark affixed shall not be sufficient other than in exceptional cases which shall be determined by the Regulations, to permit the release of the goods into the channels of commerce.

Based on the foregoing, the owner of a registered mark may recover damages from the infringer either: (1) the reasonable profit which the complaining party would have made, had the defendant not infringed his rights, or (2) the profit which the defendant actually made out of the infringement, or (3) in the event such measure of damages cannot be readily ascertained with reasonable certainty, the court may award as damages a reasonable percentage based upon the amount of gross sales or the value of the services in connection with the infringement. **388** Nevertheless, it must be emphasized that the award of damages is subject to the discretion and findings of the court.

Here, in G.R. No. 210224, the CA ordered TDI: (1) to render an accounting of the gross sales of its GINEBRA KAPITAN products from the time of the filing of the instant case up to the finality of this judgment and to pay GSMI an amount equivalent to fifty percent (50%) of the total gross sales; and (2) to pay to GSMI P2,000,000.00 as exemplary damages and P500,000.00 as attorney's fees. **389**

The Court finds that awards of damages should be tempered because of the peculiar circumstances in this case. The crux of these consolidated cases is whether "GINEBRA" is a generic mark. These cases underwent different tribunals and courts for several years, and the outcome of each decision varies. Indeed, the determination of

distinctiveness of "GINEBRA" involves contentious and complex questions of facts and laws. Only the Court could once and for all settle the controversy by meticulously dissecting and resolving the issue. In the perspective of TDI, it was not immediately apparent that they were committing trademark infringement because of the difficulty in determining whether "GINEBRA" is a distinctive mark in favor of GSMI, to the exclusion of others.

In addition, the records are bereft of credible evidence presented by GSMI to establish that it has suffered calculable or tangible damages, foregone profit, or loss of sales due to the actions of TDI. Neither was there evidence presented that TDI took any considerable market share from GSMI by riding on its goodwill. Absent evidence to the contrary, the actual damage caused by TDI for utilizing "GINEBRA" against GSMI's business is doubtful.

In *San Miguel Pure Foods Company, Inc. v. Foodsphere, Inc.*, **390** which involves trademark infringement and unfair competition, the registered owner failed to present evidence to prove its claim of foregone income or sales, or to present evidence to show loss of profit or reduced sales. The Court held that since the claim for lost profit or unrealized income was not properly substantiated, there is no basis to award the same. Nevertheless, nominal damages in the amount of P100,000.00 were awarded therein in order to vindicate or recognize the rights of the registered owner which had been violated or invaded by the infringer.

On the other hand, in *Sambar v. Levi Strauss & Co.*, **391** which involves trademark infringement, the Court awarded temperate damages in the amount of P50,000.00, instead of nominal damages to the affected party. It was explained that:

However, we agree with petitioner that it was error for the Court of Appeals to affirm the award of nominal damages combined with temperate damages by the Regional Trial Court of Makati. What respondents are entitled to is an award for temperate damages, not nominal damages. **For although the exact amount of damage or loss can not be determined with reasonable certainty, the fact that there was infringement means they suffered losses for which they are entitled to moderate damages.** We find that the award of P50,000.00 as temperate damages fair and reasonable, considering the circumstances herein as well as the global coverage and reputation of private respondents Levi Strauss & Company and Levi Strauss (Phil.), Inc. **392** (citations omitted, emphasis supplied)

Similarly, in *Co v. Spouses Yeung*, **393** the Court found that the petitioner committed unfair competition. It was explained that, although there was an indeed a pecuniary loss from the unfair competition committed, the actual damages suffered by the respondent was not established with certainty. Hence, the award of P300,000.00 as temperate damages was affirmed, to wit:

Unfair competition is 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. This takes place where the defendant gives his goods the general appearance of the goods of his competitor with the intention of deceiving the public that the goods are those of his competitor.

Here, it has been established that Co conspired with the Laus in the sale/distribution of counterfeit Greenstone products to the public, which were even packaged in bottles identical to that of the original, thereby giving rise to the presumption of fraudulent intent. In light of the foregoing definition, it is thus clear that Co, together with the Laus, committed unfair

competition, and should, consequently, be held liable therefor. To this end, the Court finds the award of P300,000.00 as temperate damages to be appropriate in recognition of the pecuniary loss suffered by Sps. Yeung, albeit its actual amount cannot, from the nature of the case, as it involves damage to goodwill, be proved with certainty. x x x **394** (citations omitted)

The Court finds that the GSMI should be awarded temperate damages. Temperate or moderate damages, which are more than nominal but less than compensatory damages, may be recovered where the court finds that some pecuniary loss has been suffered but its amount cannot, from the nature of the case, be proved with certainty. **395**

In view of the failure of GSMI to substantiate its claim of loss of profit or sales due to the actions of TDI, the award of actual or compensatory damages must be deleted. Instead, temperate damages are awarded due to the loss suffered even if the exact amount thereof cannot be ascertained with reasonable certainty. **396** TDI undoubtedly used "GINEBRA" in its products, which caused actual or likelihood of confusion among the consumers and caused prejudice to GSMI as the proprietor of such registrable mark. Nevertheless, GSMI failed to substantiate and prove the exact amount of loss of profit or sales it sustained due to the actions of TDI. **397** Consequently, temperate damages should instead be awarded as the amount lost by GSMI cannot be ascertained from the trademark infringement committed by TDI. Based on the prevailing rates on the award of temperate damages involving trademark infringement and unfair competition, the Court determines that the award of P300,000.00 in favor of GSMI by way of temperate damages is just and appropriate.

Likewise, the award of exemplary damages must be deleted. Art. 2233 of the Civil Code provides that exemplary damages cannot be recovered as a matter of right; the court will decide whether or not they should be adjudicated while Art. 2234 thereof provides that while the amount of the exemplary damages need not be proven, the plaintiff must show that he is entitled to moral, temperate or compensatory damages before the court may consider the question of whether or not exemplary damages should be awarded. **398**

Time and again, the Court held that exemplary damages may be awarded for as long as the following requisites are present: (1) they may be imposed, by way of example, only in addition, among others, to compensatory damages, only after the claimant's right to them has been established, and cannot be recovered as a matter of right, their determination depending upon the amount of compensatory damages that may be awarded to the claimant; (2) the claimant must first establish his right to moral, temperate, liquidated or compensatory damages; and (3) the act must be accompanied by bad faith or done in a wanton, fraudulent, oppressive or malevolent manner. **399**

It bears stressing that the award of temperate damages does not *ipso facto* warrant the grant of exemplary damages. The Court finds that GSMI failed to establish by clear, convincing, and credible evidence that the infringement committed by TDI was done in a wanton, fraudulent, oppressive or malevolent manner. In [San Miguel Pure Foods Co., Inc. v. Foodsphere, Inc.](#), **400** the Court similarly did not grant exemplary damages for failure to establish the requisites for such award. Accordingly, the award of exemplary damages herein must be deleted.

Also, the Court deems it proper to modify the award for attorney's fees. As a rule, an award of attorney's fees should be deleted where the award of moral and exemplary damages are not granted. Nonetheless, attorney's fees may be awarded where the court deems it just and equitable even if moral and exemplary damages are unavailing. **401** In this case, the Court finds that the award of attorney's fees should be sustained but reasonably decreased to an amount of P200,000.00, in the light of the foregoing discussions.

In addition, the Court affirms the application of Sec. 157.1 of R.A. No. 8293. It provides that the court may order goods found to be infringing be disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or be destroyed, without compensation of any sort. **402**

Consequently, to protect the trademark of GSMI for the distinctive mark "GINEBRA," TDI should remove from the market all its gin products bearing the name/mark "GINEBRA" and all the infringing or unfairly competing goods in the possession of its employees, agents, representatives, dealers including, all bottles, labels, signs, prints, packages, wrappers, receptacles and advertisements bearing the mark "GINEBRA" and that the same be destroyed or be disposed of outside the channels of commerce. TDI must also cease-and-desist from using the word or mark "GINEBRA" in any of its gin products.

While TDI is still free to produce and promote any of its gin products, it is prohibited from adapting and utilizing the distinct mark "GINEBRA," which rightfully belongs to GSMI, in any part of its labels, signs, products, goods, or services.

Final Note

It is fervently desired that this decision shall shed light on the difficult questions regarding trademark law, particularly, on the issues of spectrum of distinctiveness, genericness, primary significance test, doctrine of foreign equivalence, consumer survey evidence, doctrine of secondary meaning, trademark infringement, and unfair competition. It is high time for the courts to develop and enrich the field of trademark and, in the broader sense, intellectual property law. Adjudication regarding intellectual property must shift to the objective, scientific, and economic standards; rather, than the subjective and inconsistent beliefs of the few.

In the robust and ever-changing arena of commerce, globalization, digitalization, and online transactions, the field of intellectual property must be safeguarded and, at the same time, promoted. Legitimate intellectual creations must be protected against scrupulous infringers, and illegitimate marks which sow confusion, create monopolies, and destroy market competition should be struck down. Let this serve as a reminder and a challenge to the courts and the legal profession that the branch of intellectual property law is a continuing and growing field that must be stimulated, expanded, and protected.

WHEREFORE, the Court resolves as follows:

1. In G.R. No. 196372, the petition 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 the Bureau of Trademarks is **DIRECTED** to:
 - a. **REINSTATE** Ginebra San Miguel Inc.'s Trademark Application No. 4-2003-0001682;
 - 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 **DENIED**. 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 **AFFIRMED with the following MODIFICATIONS**:
 - a. Tanduay Distillers, Inc. shall **PAY** Ginebra San Miguel, Inc.:

- i. Temperate damages in the amount of P300,000.00;
 - ii. Attorney's fees in the amount of P200,000.00;
 - b. 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**.

SO ORDERED.

Hernando, Inting, Gaerlan, Rosario, Dimaampao, Marquez, Kho, Jr. and Singh, JJ., concur.

Leonen, J., I dissent. See separate opinion.

Caguioa, J., see concurring and dissenting.

Lazaro-Javier, J., see dissent.

*Zalameda, * J.*, took no part.

*M.V. Lopez, ** J.*, see concurring and dissenting opinion.

J.Y. Lopez, J., with concurring opinion.

Separate Opinions

LEONEN, J., *dissenting*:

This case will determine whether we will allow a word commonly used by Spanish-speaking peoples around the world to refer to a particular product that will be appropriated here by a business, to the exclusion of all others.

Further, we determine whether we will implicitly give license to and grant our approval for other countries to unconditionally register ordinary terms from our own languages as trade or service marks. Already, in Europe, a cookie brand called "Filipinos" is being sold. **1**

The law is clear enough. Generic words cannot be appropriated, excluded, and burdened for profit through exclusion.

With regrets and an abundance of respect, I dissent.

I explain further.

Trademark Application No. 4-2003-0001682 must be denied, because the word mark "Ginebra" for the Class 33 good "gin" is not registrable under Republic Act No. 8293, or the Intellectual Property Code. Following this, the applicant Ginebra San Miguel, Inc. (Ginebra San Miguel) cannot exclude others, including Tanduay Distillers, Inc. (Tanduay), from using the generic word "ginebra" in their own trademarks for Class 33 goods.

I

The purpose of a trade or service mark is to distinguish an enterprise's goods or services. **2** When a person or enterprise introduces a good or service to the market, a trade or service mark directs the public's attention to that good or service and keeps their patronage, with the mark acting as a shorthand in the public's memory. Because the good or service is produced or provided by the originating person or enterprise, the trade or service mark serves an assurance of that good or service's origins and quality. Further, should another person or enterprise attempt to direct some fraction of that attention or patronage to its own similar good or service, it cannot do so by appropriating this trade or service mark to bypass the effort and skill required to establish its own reputation and audience in the market. **3**

Trade and service marks function to indicate ownership, guarantee quality, and advertise the goods and services. At times, they even become markers of identity. The law allows the registrant of a valid trade or service mark registration to exclusively appropriate particular symbols, restricting their communicative purpose in commerce for the benefit of a particular person or enterprise. In *Mirpuri v. Court of Appeals*: 4

Modern authorities on trademark law view trademarks as performing three distinct functions: (1) they indicate origin or ownership of the articles to which they are attached; (2) they guarantee that those articles come up to a certain standard of quality; and (3) they advertise the articles they symbolize.

Symbols have been used to identify the ownership or origin of articles for several centuries. As early as 5,000 B.C., markings on pottery have been found by archaeologists. Cave drawings in southwestern Europe show bison with symbols on their flanks. Archaeological discoveries of ancient Greek and Roman inscriptions on sculptural works, paintings, vases, precious stones, glassworks, bricks, etc. reveal some features which are thought to be marks or symbols. These marks were affixed by the creator or maker of the article, or by public authorities as indicators for the payment of tax, for disclosing state monopoly, or devices for the settlement of accounts between an entrepreneur and his workmen.

In the Middle Ages, the use of many kinds of marks on a variety of goods was commonplace. Fifteenth century England saw the compulsory use of identifying marks in certain trades. There were the baker's mark on bread, bottlemaker's marks, smith's marks, tanner's marks, watermarks on paper, etc. Every guild had its own mark and every master belonging to it had a special mark of his own. The marks were not trademarks but police marks compulsorily imposed by the sovereign to let the public know that the goods were not "foreign" goods smuggled into an area where the guild had a monopoly, as well as to aid in tracing defective work or poor craftsmanship to the artisan. For a similar reason, merchants also used merchants' marks. Merchants dealt in goods acquired from many sources and the marks enabled them to identify and reclaim their goods upon recovery after shipwreck or piracy.

With constant use, the mark acquired popularity and became voluntarily adopted. It was not intended to create or continue monopoly but to give the customer an index or guarantee of quality. It was in the late 18th century when the industrial revolution gave rise to mass production and distribution of consumer goods that the mark became an important instrumentality of trade and commerce. By this time, trademarks did not merely identify the goods; they also indicated the goods to be of satisfactory quality, and thereby stimulated further purchases by the consuming public. Eventually, they came to symbolize the goodwill and business reputation of the owner of the product and became a property right protected by law. The common law developed the doctrine of trademarks and tradenames "to prevent a person from palming off his goods as another's, from getting another's business or injuring his reputation by unfair means, and, from defrauding the public." Subsequently, England and the United States enacted national legislation on trademarks as part of the law regulating unfair trade. It became the right of the trademark owner to exclude others from the use of his mark, or of a confusingly similar mark where confusion resulted in diversion of trade or financial injury. At the same time, the trademark served as a warning against the imitation or faking of products to prevent the imposition of fraud upon the public.

Today, the trademark is not merely a symbol of origin and goodwill; it is often the most effective agent for the actual creation and protection of goodwill. It imprints upon the public mind an anonymous and impersonal guaranty of satisfaction, creating a desire for further satisfaction. In other words, the mark actually sells the goods. The mark has become the "silent salesman," the conduit through which direct contact between the trademark owner and the consumer is assured. It has invaded popular culture in ways never anticipated that it has become a more convincing selling point than even the quality of the article to which it refers. In the last half century, the unparalleled growth of industry and the rapid development of communications technology have enabled trademarks, tradenames and other distinctive signs of a product to penetrate regions where the owner does not actually manufacture or sell the product itself. Goodwill is no longer confined to the territory of actual market penetration; it extends to zones where the marked article has been fixed in the public mind through advertising. Whether in the print, broadcast or electronic communications medium, particularly on the Internet, advertising has paved the way for growth and expansion of the product by creating and earning a reputation that crosses over borders, virtually turning the whole world into one vast marketplace. **5** (Citations omitted)

The general rule is that any mark as defined in Subsection 121.1 **6** of the Intellectual Property Code is registrable. The exception is a mark which is non-registrable pursuant to Subsection 123.1:

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 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;

(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

(m) Is contrary to public order or morality. **7**

Among those non-registrable marks are generic marks, which "[consist] exclusively of signs that are generic for the goods or services that they seek to identify." **8** In *Societe des Produits Nestle, S.A. v. Court of Appeals*: **9**

Generic terms are those which constitute "the common descriptive name of an article or substance," or comprise the "genus of which the particular product is a species," or are "commonly used as the name or description of a kind of goods," or "imply reference to every member of a genus and the exclusion of individuating characters," or "refer to the basic nature of the wares or services provided rather than to the more idiosyncratic characteristics of a particular product," and are not legally protectable. **10**

Generic marks must be distinguished with descriptive marks, which are related to the quality, description, or other characteristics of the goods or services **11** and are not registrable pursuant to Subsection 123.1 (j). Although both types of marks are among those enumerated in Subsection 123.1, Subsection 123.2 provides an exception to the non-registrability of descriptive marks:

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. **12**

Other non-registrable marks which may nonetheless be registered after satisfying the conditions in Subsection 123.2 are: (1) geographic marks, also under Subsection 123.1 (j); (2) shape marks under Subsection 123.1 (k); and (3) color marks under Subsection 123.1 (l).

Subsection 123.2 embodies the doctrine of secondary meanings of marks, as explained in *Ang v. Teodoro*: **13**

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.* **14** (Emphasis supplied, citations omitted)

However, the acquisition, of secondary meanings is limited in the Intellectual Property Code to only four types of non-registrable marks. This is in contrast to the provisions of Republic Act No. 166 — the predecessor of the Intellectual Property Code — which, with certain exceptions, states that *any marks* that have become distinctive of the applicant's goods or services may be registered upon proof of substantially exclusive and continuous use of the goods or services:

SECTION 4. Registration of Trade-marks, Trade-names and Service-marks. — The owner of a trade-mark, trade-name or service-mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same, unless it:

(a) Consists of or comprises 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 or comprises 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 or comprises 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 the written consent of the widow;

(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods,

business or services of the applicant, to cause confusion or mistake or to deceive purchases; or

(e) Consists of a mark or trade-name which, when applied to or used in connection with the goods, business or services of the applicant is merely descriptive or deceptively misdescriptive of them, or when applied to or used in connection with the goods, business or services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or is primarily merely a surname.

(f) *Except as expressly excluded in paragraphs (a), (b), (c) and (d) of this section, nothing herein shall prevent the registration of a mark or trade-name used by the applicant which has become distinctive of the applicant's goods, business or services.* The Director may accept as *prima facie* evidence that the mark or trade-name has become distinctive, as applied to or used in connection with the applicant's goods, business or services, proof of substantially exclusive and continuous use thereof as a mark or trade-name by the applicant in connection with the sale of goods, business or services for the five years next preceding the date of the filing of the application for its registration. (Emphasis supplied)

When the Intellectual Property Code superseded Republic Act No. 166, the broad provision on acquisition of distinctiveness was undoubtedly limited to only certain types of marks, namely those falling under paragraphs (j), (k), and (l) of Subsection 123.1. These types of marks may be subject to the in-depth, empirical, and even scientific analysis proposed in the *ponencia*, precisely because they are the types of marks that the Intellectual Property Code permits to be registered, for having acquired a secondary meaning.

However, when the mark sought for application consists exclusively of signs which are generic for the goods it seeks to identify — *i.e.*, that it is a Subsection 123.1 (g) mark — then not only is the "primary significance" test misplaced, but it is also contrary to Subsection 123.2 of the Intellectual Property Code. To permit this is to allow an exception not written in the law.

Signs that are generic for the goods or services applied for can never be made distinctive and exclusive for a single registrant, even by long use or the passage of time, simply because any person or entity should be able to use the generic word to identify that particular good or service. They cannot be subject of exclusive appropriation under our trademark law. **15** They are also incapable of indicating the goods or services by themselves, foreclosing any finding that those who use it as a trade or service mark have been injured by other people's use of the generic mark, or that the public was deceived by its widespread use. **16**

According to the Association of South East Asian Nations (ASEAN) Common Guidelines for the Substantive Examination of Trademarks, which serves as a reference to guide and focus practices of intellectual property offices of ASEAN nations, the non-registrability of generic marks promotes competition and free trade:

A sign that consists exclusively or essentially of a word that is a generic, customary, common scientific or technical name or designation of a particular product or service, or of a category of goods or services, cannot be appropriated in exclusivity by any individual trader as a mark to

distinguish such goods or services. Such names and designations need to remain free for use by all competitors in order that they may exercise their trade normally and unfettered by exclusive third-party rights. **17**

As early as 1905, in *Baxter v. Zuazua*, **18** this Court held that the name of a flower cannot be registered as a trademark, any more than words such as "coffee," "sugar," or "tobacco":

The defendant alleged in his answer that the word "Kananga" could not be used as a trade-mark because it was the name of a flower. *It is stated in the judgment of the court below that the word "Kananga" represents the name of a well-known tree in the Philippines. This finding has not been disputed by the plaintiffs, who simply allege that the spelling of the said word indicates that it is foreign to the Spanish language. This, by the way, would not prove, even though it were true, that the said word was not in fact the name of a flower of the Philippine Islands, as set out in the judgment. It is apparent, therefore, that the said word could not be used exclusively as a trade-mark, any more than could the words "sugar," "tobacco," or "coffee."* The law is clear and conclusive upon the subject. "A designation or part of a designation," says Section 2 of Act No. 666, "which relates only to the name, quality, or description of the merchandise * * * can not be the subject of a trade-mark." This provision is in conformity with the provisions of paragraph 3 of article 5 of the royal decree of the 26th of October, 1888, under which Guillermo Baxter secured the registration of his trade-mark. The said royal decree provided that the denominations generally used in commerce for the purpose of designating a class of goods could not be the subject of labels or trade-marks.

The plaintiffs allege that the defendants did not prove, or even attempt to prove, that the goods manufactured by them had anything to do with the "Kananga" flower. If the goods in question had really nothing to do with the said flower, then it was not lawful for the plaintiffs to sell them to the public under the name of "Agua de Kananga," because the people might be deceived as to the nature of the goods, taking for "Kananga" an article which, as a matter of fact, had nothing to do with the said flower. Both plaintiffs and defendant would be exactly in the same position as one who should sell goods as "coffee" or "tobacco" which were neither one nor the other. Such being the case the plaintiffs could not have maintained this action for unfair competition, because under Section 9 of said Act No. 666 such action would not lie "when the trade-mark or designation of its origin, ownership, or manufacture has been used by the claimant for the purpose of deceiving the public as to the nature of the goods in which he deals, his business, profession, or occupation." The law can not and does not permit that trade-marks shall contain indications capable of deceiving the public as to the nature of the goods. This would be exactly the case if under the trade-mark of "Agua de Kananga" the plaintiffs should sell goods that had in fact nothing to do, as they say, with the "Kananga" flower. However the contention of the plaintiffs may be considered, the proof is nevertheless insufficient to show that the word "Kananga" the name of a flower, can be appropriated, as the subject of a trade-mark, under the law. **19** (Emphasis supplied)

Similarly, in *La Yebana Co., Inc. v. Alhambra Cigar & Cigarette Manufacturing Co.*, **20** this Court held that the word "chorritos" cannot be exclusively appropriated, as it is the generic name used to identify a kind of cigarette with the tobacco rolled in sweetened black paper. This Court found that many local manufacturers included the word "chorritos" in the names of their version of this cigarette:

We experience no difficulty in reaching the definite conclusion that the registration of the trade-mark of the appellee does not constitute an infringement of appellant's trade-mark. *The word "Chorritos" as we understand it, had come to be a local name given to a special kind of cigarettes the tobacco of which is rolled in sweetened black paper. Like the words "Corona," "Especiales," "Perfectos," etc. which are used in common by local cigar manufacturers to designate the different shapes or forms of cigar manufactured by them, for cigarettes there could be "La Yebana Chorritos," "Alhambra Chorritos," "Chorritos de Gamu," etc.* This is particularly true in so far as the appellant is concerned, since the appellant was one of the last to make use of the word "Chorritos" as a trade-mark, and since all that the appellee has been endeavoring to do has consisted to perfecting a trade-mark originally registered many years ago. On such facts, the appellee, rather than the appellant, could more logically contend that it has acquired the exclusive right to use the word "Chorritos" as a trade-mark for cigarettes. In addition, it need only be remarked that a superficial examination is sufficient to show an entire back of deceitful similarity between the trade-mark of the appellant and the trade-mark of the appellee. **21** (Emphasis supplied; citation omitted)

As recently as *Kensonic, Inc. v. Uni-Line Multi-Resources, Inc. (Phil.)*, **22** this Court affirmed *Asia Brewery v. Court of Appeals* **23** in holding that generic marks identifiable for certain goods or services may not be exclusively appropriated:

Section 123(h) of the Intellectual Property Code prohibits the registration of a trademark that consists exclusively of signs that are generic for the goods or services that they seek to identify. It is clear from the law itself, therefore, that what is prohibited is not having a generic mark but having such generic mark being identifiable to the good or service. In *Asia Brewery, Inc. v. Court of Appeals*, the Court ruled that there was no infringement of San Miguel Brewery's Pale Pilsen trademark because Pale Pilsen could not be appropriated. **24** (Citation omitted)

Should a generic word be registered as a trademark, it would unfairly deprive other persons engaged in the commerce of the goods or services designated by such generic word the opportunity to use it. In *Asia Brewery v. Court of Appeals*: **25**

The words "pale pilsen" may not be appropriated by SMC for its exclusive use even if they are part of its registered trademark: SAN MIGUEL PALE PILSEN, any more than such descriptive words as "evaporated milk," "tomato ketchup," "cheddar cheese," "corn flakes" and "cooking oil" may be appropriated by any single manufacturer of these food products, for no other reason than that he was the first to use them in his registered trademark. *In Masso Hermanos, S.A. vs. Director of Patents . . . it was held that a dealer in shoes cannot register "Leather Shoes" as his trademark because that would be merely descriptive and it would be unjust to deprive other dealers in leather shoes of the right to use the same words with reference to their merchandise. No one may appropriate generic or descriptive words. They belong to the public domain . . .*

"A word or a combination of words which is merely descriptive of an article of trade, or of its composition, characteristics, or qualities, cannot be appropriated and protected as a trademark to the exclusion of its use by others . . . inasmuch as all persons have an equal right to produce and vend similar articles, they also have the right to describe them properly and to use any appropriate language or words

for that purpose, and no person can appropriate to himself exclusively any word or expression, properly descriptive of the article, its qualities, ingredients or characteristics, and thus limit other persons in the use of language appropriate to the description of their manufactures, the right to the use of such language being common to all. This rule excluding descriptive terms has also been held to apply to trade-names. As to whether words employed fall within this prohibition, it is said that the true test is not whether they are exhaustively descriptive of the article designated, but whether in themselves, and as they are commonly used by those who understand their meaning, they are reasonably indicative and descriptive of the thing intended. If they are thus descriptive, and not arbitrary, they cannot be appropriated from general use and become the exclusive property of anyone. . . .

". . . Others may use the same or similar descriptive word in connection with their own wares, provided they take proper steps to prevent the public being deceived. . . .

". . . A descriptive word may be admittedly distinctive, especially if the user is the first creator of the article. It will, however, be denied protection, not because it lacks distinctiveness, but rather because others are equally entitled to its use[.]" **26** (Emphasis supplied; citations omitted)

These cases must be differentiated from instances when a generic or common word was allowed registration, but for goods or services that bear no relation to the meaning of the word. There, no issue on the exclusive appropriation of the generic word arises, because the generic word's use to designate a good or service will not unfairly exclude others from using that word.

In *Philippine Refining Co., Inc. v. Ng Sam*, **27** this Court recognized that "camia" is descriptive for a genus of plants with white flowers. However, because the "Camia" mark was being used for non-floral products such as threads, yarns, textiles, and a variety of food such as oils and hams, this Court found that the use of "Camia" was fanciful, and capable of distinguishing the goods for which the mark was sought registration. Thus, the element of unrelatedness must be present before an alleged generic mark may be permitted registration. **28** This was also the case in *Mighty Corporation v. E. & J. Gallo Winery*, **29** concerning the use of the Spanish word "gallo" (translated as "rooster") as trademarks for cigarettes and wine by different manufacturers.

The absolute non-registrability of generic marks is not unique to Philippine trademark law. The Paris Convention for the Protection of Industrial Property, to which the Philippines is a signatory, states that marks may be denied registration or invalidated if they are, among others, "devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the *bona fide* and established practices of the trade of the country where protection is claimed." **30**

Moreover, all countries in the ASEAN, **31** as well as the European Union, **32** have provisions in their respective trademark laws or regulations concerning the non-registrability of generic marks. While some of the ASEAN member-nations — such as Brunei, **33** Myanmar, **34** and Singapore **35** — and the European Union **36** do provide for the acquisition of secondary meanings in generic marks, these stand in contrast with

the Intellectual Property Code, which does not contain a similar provision, as discussed above.

II

The prohibition against the registration of generic marks must extend even to foreign equivalents of generic marks.

The Intellectual Property Code permits the registration as trade or service marks of words which are not in English or Filipino. Spanish words like "gallo" **37** and "marca piña"; **38** French words like "le cordon bleu"; **39** Japanese words like "sakura"; **40** and Italian words like "adagio" **41** had been or are among the trade or service marks registered in this country. The law only requires that the applicant must provide a translation or transliteration of the mark being applied for:

SECTION 124. Requirements of Application. — 124.1. The application for the registration of the mark shall be in Filipino or in English and shall contain the following:

xxx xxx xxx

(j) A transliteration or translation of the mark or of some parts of the mark, as prescribed in the Regulations[.]

Under Rule 404 of Memorandum Circular No. 17-010 **42** of the Intellectual Property Office of the Philippines, foreign words in marks must be translated or transliterated:

Rule 404. *Translation or Transliteration.* — A translation or transliteration of the mark or of some parts of the mark must accompany the application if the mark or of some parts of the mark is/are in foreign word(s), letter(s) and character(s), or foreign sounding.

The purpose of the translation requirement is to prevent the circumvention of the provisions of the Intellectual Property 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.

In *Etepha A.G. v. Director of Patents*, **43** the Latin root word "tussin," and its derivative "tussis," cannot be monopolized by one trademark registrant for cough medication, since the word means "cough":

2. That the word "tussin" figures as a component of both trademarks is nothing to wonder at. The Director of Patents aptly observes that it is "the common practice in the drug and pharmaceutical industries to 'fabricate' marks by using syllables or words suggestive of the ailments for which they are intended and adding thereto distinctively prefixes or suffixes." And appropriately to be considered now is the fact that, concededly, the "tussin" (in Pertussin and Atussin) was derived from the Latin root word "tussis" meaning cough.

"Tussin" is merely descriptive; it is generic; it furnishes to the buyer no indication of the origin of the goods; it is open for appropriation by anyone. It is accordingly barred from registration as trademark. With jurisprudence holding the line, we feel safe in making the statement that any other conclusion would result in "appellant having practically a monopoly" of the word "tussin" in a trademark.

While "tussin" by itself cannot thus be used exclusively to identify one's goods, it may properly become the subject of a trademark "by

combination with another word or phrase" 9 And this union of words is reflected in petitioner's Pertussin and respondent's Atussin, the first with prefix "Per" and the second with prefix "A". 44 (Emphasis supplied; citations omitted)

The translation requirement becomes even more essential in today's globalized marketplace, where the trade of goods and services are no longer confined within national or geographical boundaries but are becoming increasingly borderless.

Our trademark laws and regulations help foster cross-border trade with mechanisms such as those provided in the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol), which is a "centralized system providing a one-stop solution for registering and managing mark's worldwide, allows the trademark owner to file one application in one language, and to pay one set of fees to protect his mark in the territories of up to 97 member-states." 45

Systems such as the Madrid Protocol both facilitate the export of Philippine products and services to other countries and the proliferation of international brands in local commerce. Yet marks sought for registration using the Madrid Protocol are still examined according to the relevant national law, 46 which in the case of the Philippines is the Intellectual Property Code. If this Court seeks to diminish the statutory terms under which marks are examined for registration, then it will affect both local trade or service marks as well as foreign persons' or entities' trade or service marks used in this country's commerce.

This Court's proposed changes to Spanish-language generic words for the goods or services they refer to may adversely affect the local availability of goods or services which are referred to or marketed in part using the now-trademarked generic foreign-language word. It likewise signals to other nations that the exclusive appropriation of Filipino and other Philippine-language words generic for a good or service for commercial purposes is acceptable, diluting their communicative effect in favor of profit-seeking and depriving people of common symbols of which they socially and culturally ought to have free use.

The *ponencia's* reliance on foreign rules, such as the Trademark Manual of Examination Procedure of the United States Patent and Trademark Office, 47 and American trademark jurisprudence, is highly improper.

The Intellectual Property Office of the Philippines has not issued any rule or regulation adopting the United States Patent and Trademark Office's guidelines on foreign equivalents of dictionary words. Moreover, if this Court were to adopt a foreign agency's guidelines on trademark examination on behalf of the Intellectual Property Office of the Philippines, it would be an encroachment on the latter's power to formulate its own manual of examination procedure for trademarks.

Even conceding that this Court may adopt the limitations to the doctrine of foreign equivalents proposed in the *ponencia*, 48 neither is helpful in this case. Spanish is not an unfamiliar or dead language to Filipinos, and there is still a considerable number not just of Spanish speakers, but also speakers of variations of Chavacano 49 in this country. It is also apparent from the number of alcohol manufacturers and distillers who also use the word "ginebra" for their alcoholic products, including Tanduay, that ordinary purchasers and drinkers have some idea that "ginebra" is a word at least associated with the liquor product gin.

The cases cited in the *ponencia* for this point are inapplicable. *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondée En*. 50 evidently involved a French-language mark ("Veuve Royale") which was claimed to be confusingly similar to a previously-registered English-language mark ("The Widow"). Both of these marks are not

generic for the goods sparkling wine products, but instead are random or imaginative marks.

On the other hand, the Russian-language mark "Moskovskaya" in *In re Spirits Int'l. N. V.* **51** is a geographic mark ("for Moscow" in English) for vodka products, which is among the limited types of marks which may acquire secondary meanings in Subsection 123.2 of the Intellectual Property Code.

Moreover, while this Court has often cited American doctrines in trademark law, these cases cannot supplant the categorical restrictions on the registrability of marks in the Intellectual Property Code. In particular, the Lanham Act does not contain any provision similar to Subsection 123.1 (g), meaning that unlike the Intellectual Property Code, United States federal trademark law does not contain an express statutory prohibition against the registration of generic marks, or the acquisition of secondary meaning of a generic mark that would otherwise permit its registration.

Hence, any attempt to use United States caselaw to interpret the Intellectual Property Code's provisions is incomplete by nature, because Philippine grounds for absolute refusal of a trade or service mark are broader and more comprehensive than those in United States federal trademark law. Neither can foreign cases invalidate Subsection 123.1 (g) of the Intellectual Property Code and overturn the consistent rulings of this Court that generic marks cannot be subject of exclusive appropriation. **52**

III

Clearly "Ginebra," **53** the mark Ginebra San Miguel seeks to register, is a generic mark for the purposes of Subsection 123.1 (h).

It is undisputed that "ginebra" is the Spanish word for the liquor product known as gin. Ginebra San Miguel's trademark application for "Ginebra" is for the product "gin" under Class 33 of the International (Nice) Classification of Goods and Services, which covers alcoholic beverages, except beer, and alcoholic preparations for making beverages. This is precisely the type of generic mark contemplated in Subsection 123.1 (h) that cannot be registered. As noted by the Court of Appeals in its August 13, 2010 Decision in CA-G.R. SP No. 112005:

In the cast at bar, petitioner itself provided the English translation of the Spanish word "GINEBRA" as "gin." Its use therefore, in gin products would be merely indicative and descriptive of the merchandise or product designated. It is therefore a generic term which cannot be appropriated for petitioner's exclusive use because it will unjustly deprive other gin dealers of the right to use the same with reference to their merchandise. Hence, the IPO Director General correctly denied registration of the said mark.

Corollary thereto, petitioner's claim that the "GINEBRA" mark is not solely generic but also descriptive which may acquire secondary meaning in accordance with the provisions of Section 123.1(j) in relation to Section 123.2 of R.A. No. 8239 since it designated the kinds of goods manufactures is untenable. Its contention that "GINEBRA" is not a direct Spanish counterpart of the English word "gin" but rather, the Spanish equivalent of "genever" or "jenever," the juniper berry-flavored grain spirit which originated in the Netherlands in the 17th century, hence, considered a "kind of gin," compared to "gin" which may refer to any kind of alcoholic spirits, does not change the fact that "ginebra" and "gin" refer to the same object. Hence, being exclusively generic, the doctrine of secondary meaning . . . finds no applicability. Besides, for the doctrine to apply, the use of the mark must have been exclusive which is not the case here. Records reveal that other manufacturers of gin and other alcoholic beverages like Tanduay

Distillers, Inc., Twin Ace Holding Corporation, Consolidated Distillers of the Far East, Inc. and Webengton Distillery (Philippines), Inc. had similarly used the mark "GINEBRA" as part of the composite marks for their products[.] **54**

To compound the situation, the mark sought to be registered is a word mark, which has been described by the Philippine Intellectual Property Code in its 2017 Trademark Regulations to be one having no special characteristics:

RULE 402. Reproduction of the Mark. — One (1) reproduction of the mark shall be submitted upon filing of the application which shall substantially represent the mark as actually used or intended to be used on or in connection with the goods and/or services of the applicant. The reproduction may be added or pasted on the space provided for in the application form or printed on an ordinary bond paper. The reproduction must be clear and legible, printed in black ink or in color, if colors are claimed, and must be capable of being clearly reproduced when published in the IPO eGazette. An electronic copy of the reproduction may likewise be submitted in lieu of the printed reproduction. The electronic reproduction should be in .jpg format and must not exceed one (1) megabyte.

In the case of word marks or if no special characteristics have to be shown, such as design, style of lettering, color, diacritical marks, or unusual forms of punctuation, the mark must be represented in standard characters. The specification of the mark to be reproduced will be indicated in the application form and/or published on the website.

The provisions of this Rule shall, however, be construed liberally in determining whether the application shall be considered complete for purposes of granting a filing date. (Emphasis supplied)

Unlike other "Ginebra"-inclusive marks registered by Ginebra San Miguel **55** that were compound word marks or composite marks, Trademark Application No. 4-2003-0001682 consists solely of the single word "Ginebra," without any other included words, shapes, designs, or special characteristics.

The characteristics of the mark sought to be registered is essential, **56** as the Intellectual Property Code grants to a successful registrant the right to exclude others from using that mark as it is registered, **57** or its dominant feature. **58** This is demonstrated in *Coffee Partners, Inc. v. San Francisco Coffee & Roastery, Inc.*, **59** where this Court clarified that although the respondent had validly acquired the right to exclusively appropriate "San Francisco Coffee," it did not mean exclusive use of the component words "San Francisco" and "coffee":

Applying either the dominance test or the holistic test, petitioner's "SAN FRANCISCO COFFEE" trademark is a clear infringement of respondent's "SAN FRANCISCO COFFEE & ROASTERY, INC." trade name. The descriptive words "SAN FRANCISCO COFFEE" are precisely the dominant features of respondent's trade name. Petitioner and respondent are engaged in the same business of selling coffee, whether wholesale or retail. The likelihood of confusion is higher in cases where the business of one corporation is the same or substantially the same as that of another corporation. In this case, the consuming public will likely be confused as to the source of the coffee being sold at petitioner's coffee shops. Petitioner's argument that "San Francisco" is just a proper name referring to the famous city in California and that "coffee" is simply a generic term, is untenable. Respondent has acquired an exclusive right to the use of the trade name "SAN FRANCISCO COFFEE & ROASTERY, INC." since

the registration of the business name with the DTI in 1995. *Thus, respondent's use of its trade name from then on must be free from any infringement by similarity. Of course, this does not mean that respondent has exclusive use of the geographic word "San Francisco" or the generic word "coffee." Geographic or generic words are not, per se, subject to exclusive appropriation. It is only the combination of the words "SAN FRANCISCO COFFEE," which is respondent's trade name in its coffee business, that is protected against infringement on matters related to the coffee business to avoid confusing or deceiving the public.* **60** (Emphasis supplied)

Ginebra San Miguel should not be allowed to: (a) allow the registration of the word mark "Ginebra" in Class 33, particularly gin products; and (b) exclude any other person or entity from using the Spanish word for gin as a name or label for gin products, even in conjunction with other words. Considering this, the United States Supreme Court case cited in the *ponencia* **61** is inapplicable, because there, the mark sought to be registered is not merely the generic word "booking," but "booking.com," which conveyed an association with a single website, which only respondent's business could occupy based on the nature of top-level domains on the Internet. **62**

Moreover, the grounds for absolute refusal of registration listed in the Lanham Act which was the basis of the ruling in *United States Patent and Trademark Office v. Booking.com B.V.* do not correspond to those in the Intellectual Property Code. We cannot assume that Philippine courts will reach a similar legal conclusion when the laws involved are not the same.

In this regard, the reliance on the "primary significance test" **63** is highly misplaced.

The clause in Section 151 of the Intellectual Property Code cited in the *ponencia* **64** refers to instances when a registered mark has become so generic, that it may be subjected to cancellation proceedings. This presupposes that: (1) there is a registered mark; (2) that registered mark has become a generic name for the goods and services for which it was registered; and (3) that a party has filed a petition for cancellation of that mark. None of these circumstances are availing in the cases here, because the action with regard to "Ginebra" is an application for its registration.

Further, "Ginebra" is not a registered mark which has allegedly become a generic name. As discussed above, "Ginebra" is a generic word for gin, which registrability is under question. It is not a mark that had become generic and, thus, became susceptible to the cancellation of its registration.

Finally, as "Ginebra" has not yet been allowed registration, it cannot be subject of a cancellation case which would have placed it within the coverage of Section 151 of the Intellectual Property Code. Likewise, the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases provides a test to determine if a registered mark can be deemed generic in the appreciation of evidence in trademark infringement and unfair competition cases. **65** Again, this cannot apply to applications for registration of marks.

As I have discussed above, it is improper to resort to American jurisprudence and rules, especially when the text of our Intellectual Property Code is clear on the matter. However, even when this Court may consider foreign caselaw, those cited in the *ponencia* are inapplicable when attempting to determine if a mark is registrable under our trademark law.

The cases of *Bayer Co. v. United Drug Co.*; **66** *Singer Manufacturing Co. v. June Manufacturing Co.* and *Singer Manufacturing Co. v. Redlich*; **67** *Genessee Brewing Co. v. Stroh Brewing Co.*; **68** *Kellogg Co. v. National Biscuit Co.*; **69** *Royal Crown Co. v. Coca-Cola Co.*; **70** *Glover v. Ampak, Incorporated*; **71** *Princeton Vanguard LLC v. Frito-Lay North America, Inc.*; **72** *Berner Intern Corp. v. Mars Sales Co.*; **73** and *Filipino Yellow*

Pages, Inc. v. Asian Journal Publications, Inc., **74** all involved marks which were originally arbitrary, fanciful, or suggestive, but by dint of widespread and common usage, became generic marks for the products or services to which they signify. In other words, these were instances of "genericide."

Conversely, the case presented before this Court now is the opposite: that of Ginebra San Miguel's attempt to convince this Court that the Spanish equivalent of a generic word is no longer a generic mark, but rather one susceptible to its exclusive appropriation.

Not even the customary use by Ginebra San Miguel of the word "ginebra" in its products, no matter how extensive or well-documented, **75** should overcome the absolute bar on the non-registrability of generic words for goods or services. As astutely observed by the Court of Appeals, Ginebra San Miguel's use of the word "ginebra" for alcohol products cannot even be considered exclusive, because the same word is used by other manufacturers and distributors for their own gin or alcohol products. That alone should demonstrate that, regardless of Ginebra San Miguel's tireless efforts, even in the marketplace it has not excluded other distillers and distributors from designating their alcohol products as some kind of "ginebra."

Pursuant to the *ponencia's* interpretation, generic words for particular goods or services are susceptible of exclusive appropriation regardless of our jurisprudence and the Intellectual Property Code's unqualified provisions. This creates, in words and symbols, an unqualified property right that benefits only the trademark registrant, when trade and service marks — unlike most other forms of property, intellectual or otherwise — are only permitted continuity of exclusive appropriation by proof of use, **76** notwithstanding the first-to-file system in the Intellectual Property Code.

Courts should take care not to foster monopolistic practices in trade and service mark laws, to the detriment not only of fair competition in the marketplace, but also the free exchange and propagation of shared symbols within and across languages.

IV

Because Ginebra San Miguel cannot claim to have an exclusive right to use "Ginebra" for Class 33 goods, it follows that it cannot be damaged by the registration by other persons or entities of marks that include the word "ginebra."

Although Ginebra San Miguel has other valid registered marks that contain the word "ginebra," it cannot use those registered marks to oppose or cancel other marks that contain the word "ginebra," as it does not have the right to exclude others from using that word in their own trademarks, especially for goods in Class 33. As held in *Ong Ai Gui v. Director of the Philippine Patent Office*, **77** using a generic term in a trade or service mark is conditioned on the limitation that "the registrant does not acquire the exclusive right to the descriptive or generic term or word." **78** What it acquired are rights over the combinations of words and images that happen to include the word "ginebra," as embodied in its certificates of trademark registrations. **79**

Here, a review of the records show that the word "ginebra" has been consistently disclaimed in Ginebra's trademark registrations for "Ginebra San Miguel." **80** "Ginebra 65" was likewise disclaimed in "Ginebra S. Miguel 65." **81** Similarly, the phrase "ginebra mix" was disclaimed in the mark "La Tondeña Cliq! Ginebra Mix & Stylized Letters Ltd. with Crown Device Inside a Rectangle." **82**

It must be pointed out that Section 126 of the Intellectual Property Code permits disclaimers, through which a mark may still be registered even if a component of it is unregistrable:

SECTION 126. *Disclaimers.* — The Office may allow or require the applicant to disclaim an unregistrable component of an otherwise

registrable mark but such disclaimer shall not prejudice or affect the applicant's or owner's rights then existing or thereafter arising in the disclaimed matter, nor shall disclaimer prejudice or affect the applicant's or owner's right on another application of later date if the disclaimed matter became distinctive of the applicant's or owner's goods, business or services.

In line with this, Rule 604 of the Rules and Regulations on Trademarks, Service Marks, Trade Names, and Marked or Stamped Containers of 2017 states that generic terms, among others, must be disclaimed in a composite mark:

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 a 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[.]

A disclaimer has the purpose of allowing the registration of a mark regardless of the inclusion of an unregistrable component, conditioned on the registrant being disallowed from claiming exclusivity over the unregistrable component. That "Ginebra" is disclaimed in trademark registrations in Class 33 demonstrates that Ginebra San Miguel, Tanduay, or any other entity cannot rely on registered marks containing the word "Ginebra" to prove their exclusive appropriation of this word.

As such, the Court of Appeals was incorrect in G.R. Nos. 210224 and 216104 to hold that the dominant feature of Ginebra San Miguel's registered marks is "ginebra," such that it can exclude others from using or registering marks that contain said word. A disclaimer functions to limit the exclusive appropriation of a registered mark's components when they are unregistrable — and therefore not susceptible to exclusive appropriation — under the Intellectual Property Code.

Moreover, although a disclaimed component of a mark may later become registrable due to the acquisition of a secondary meaning, this clause must be read in conjunction with Subsection 123.2. This means that, even if an applicant previously successfully registered marks that contained the generic word, it is clear, under Philippine trademark law and jurisprudence, that no secondary meaning can inure in favor of a generic mark, and that would otherwise transform it into a registrable distinctive mark.

As Ginebra San Miguel cannot exclude other enterprises from using the word "ginebra" in their Class 33 marks, it must rely on the strength of its existing registrations "Ginebra San Miguel" (word marks and composite marks) to obtain favorable rulings in its trademark opposition, trademark infringement, and unfair competition cases against Tanduay. There, it cannot be said that the dominant feature of Ginebra San Miguel's marks, namely "Ginebra San Miguel," can be found in Tanduay's "Ginebra Kapitan" mark. Likewise, it cannot be said that there is a likelihood of confusion between "Ginebra San Miguel" and "Ginebra Kapitan" among ordinary purchasers of alcohol products.

Thus, to find that Tanduay was attempting to imitate or pass its gin products as Ginebra San Miguel's when it chose to include the word "ginebra" in a trademark for a gin product, is to ignore that "ginebra" is a reasonable word to include in a name or mark for

alcohol which contains gin, in a country which national language incorporates several Spanish loan words.

ACCORDINGLY, I vote as follows:

1. The Petition for Review for *Certiorari* in G.R. No. 196372 is **DENIED**. The August 13, 2010 Decision and March 25, 2011 Resolution of the Court of Appeals in CA-G.R. SP No. 112005 are **AFFIRMED**.

2. The Petitions for Review on *Certiorari* in G.R. Nos. 210224 and 219632 are **GRANTED**. The Decisions and Resolutions of the Court of Appeals in CA-G.R. SP No. 127255 and CA-G.R. CV No. 100332 are **REVERSED AND SET ASIDE**. The October 5, 2012 Decision of Branch 211, Regional Trial Court of Mandaluyong City in IP Case No. MC03-01 is **REINSTATED**.

3. The Petition for Review on *Certiorari* in G.R. No. 216104 is **GRANTED**. The Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 132441 are **REVERSED AND SET ASIDE**. The September 24, 2013 Decision of the Office of the Director General of the Intellectual Property Office of the Philippines is **REINSTATED**.

CAGUIOA, J., *concurring and dissenting*:

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 **1** 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 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. **2** A well-known mark is a trademark that "in view of its widespread reputation or recognition, may enjoy broader protection than an ordinary mark." **3** 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:

xxx xxx xxx

- (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. ⁴ In this case, the mark "MANZANA" should be rejected 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:

xxx xxx xxx

- (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.**" **5**

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." **6** Based on the ASEAN Common Guidelines for the Substantive Examination of Trademarks (ASEAN Guidelines), the guidelines used by trademark examiners in the IPO, **7** 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.**" **8**

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." **9**

The primary significance test focuses on consumer perception. **10** 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." **11** 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) **12**

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, **13** *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 word for "gin," as top-of-mind mention. **14** 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, **15** 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. **16**

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.

A suggestive mark employs terms that relate to the product's characteristics or intended use. **17** However, a consumer must "make a mental leap to understand the relationship between a suggestive mark and the product." **18** "Suggestive marks connote, without describing, some quality, ingredient, or characteristic of the product." **19** A suggestive mark thus "requires the observer or listener to *use imagination and perception* to determine the nature of the goods." **20** "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.'**" **21**

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. **22**

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." **23**

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:

xxx xxx xxx

(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

xxx xxx xxx

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. **24**

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. **25**

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.

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. **26** Meanwhile, TDI's Trademark Application for the mark "GINEBRA KAPITAN" was filed on August 9, 2006. **27** 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.* **28** (*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. **29**

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." **30** 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. **31**

Lest I be misconstrued, I clarify that our ruling in *Seri Somboonsakdikul v. Orlane S.A.* **32** (*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. **33** 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. **34** 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. **35** (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." **36** 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*

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.' **37**

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." **38** 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 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.' **39**

Accordingly, it can be said that the market of GSME 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. **40** 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. **41** 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." **42** 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. **43**

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 GSM. 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. **44** (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: **45**

| 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." 46 |
| GINEBRA SAN MIGUEL | 42568 | January 19, 1989 | "Applicant disclaimed the word 'Ginebra' apart from the mark as shown." 47 |
|  | 53668 | October 13, 1992 | The word Ginebra 65 is disclaimed. 48 |
|  | 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." 49 |
|  | 4/1996/113597 | July 23, 2001 | "Ginebra mix" 50 |

An examination of the **first three 51** 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." 52 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," 53 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. 54 (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 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." 55 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." **56** 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. **57**

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:

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. **58**

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]." **59** 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." **60** "[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." **61**

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 pass 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.

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. **62** 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. **63** I likewise agree with the *ponencia* that TDI's application for "GINEBRA KAPITAN" mark covering goods in Class 33, specifically gin, should be disallowed. **64**

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." **65** He argues that "the prohibition against the registration of generic marks must extend even to foreign equivalents of generic marks," **66** citing, as basis, the provision in the IP Code which requires applicants to provide a translation or transliteration of the mark being applied for: **67**

[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. **68**

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.

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. **69** 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. **70** 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. **71** 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." **72** 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," **73** 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. **74** 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 Justice Leonen and Associate Justice Amy C. Lazaro-Javier (Justice Lazaro-Javier), **75** 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 **76** and correctly pointed out that the "marks sought for registration using the Madrid Protocol are still examined according to the relevant national law." **77** 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. **78** 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:

xxx xxx xxx

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

xxx xxx xxx

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;**

xxx xxx xxx

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. **79** 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." **80** 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." **81**

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 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*. **82** 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. **83**

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, **84** of the IP Code, *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, **85** flags or coat of arms or other insignia of the Philippines or of any foreign nation, **86** or exclusively of signs that are generic for the goods or services that they seek to identify, **87** 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." **88** To use the example of the *ponencia*, **89** 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*, **90** 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*, **91** 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:

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. **92** (Emphasis and underscoring supplied)

The Court in *Shang Properties Realty Corporation v. St. Francis Square Development Corporation*, **93** 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." **94**

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. **95**

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. **96 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. **97****

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**. **98** 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. **99** 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."** **100** Verily, it takes more than just the use of the same marks, devices or words, whether 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. **101** The *ponencia* finds that TDI must pay GSMI the amount of P300,000.00 as temperate damages to vindicate the rights of GSMI, and attorney's fees in the amount of P200,000.00. **102** 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." **103**

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. **104**

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." **105** To my mind, an award of temperate damages amounting to P300,000.00 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 P200,000.00. Lastly, I likewise agree that all unfairly competing products of TDI should be destroyed or be disposed of outside the channels of commerce. **106**

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 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 P300,000.00; and

b. Attorney's fees in the amount of P200,000.00.

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**.

LAZARO-JAVIER, J., dissent.

**Sa bawat bolang binibitaw
'Di mapigilang mapapasigaw
Kahit hindi relihiyoso
Naaalala ko ang mga santo
O San Miguel, Santa Lucia
Sana manalo ang Ginebra
Galit ako sa mga pasista
Galit ako sa impeyalista
Feel na feel kong maging aktibista
'Pag natatalo ang Ginebra**

**-Gary Granada,
Pag, Natatalo ang Ginebra**

In this country where basketball is a sport squirting with fanaticism, and the hometown team is indubitably *Barangay Ginebra* of petitioner Ginebra San Miguel (*GSM*). For a number of male fans, it often ends up with bottles of alcoholic beverages, gin is Ginebra and Ginebra is probably no other than GSM Blue, flavored Ginebra, 4 x 4, 2 x 2, or Premium, all products of GSM and no other. The ditty '*Pag Natatalo ang Ginebra*' is a throwback to Ginebra's immense popularity, a blast from the past and perhaps into the present, when basketball is Ginebra and gin is Ginebra, both referring to GSM's commercial products.

Unfortunately, the law has not caught up with public sentiment and popularity as a measure for the registrability of generic terms as trademarks. As ably pointed out by Senior Associate Justice Marvic Mario Victor F. Leonen (*Senior Associate Justice Leonen*), generic words fall under Section 123.1 (h) of our *Intellectual Property Code*, **1** which states, "[a] mark cannot be registered if it: x x x. Consists exclusively of signs that are generic for the goods or services that they seek to identify." **2** For reasons which are explained in more detail by Senior Associate Justice Leonen, generic terms are not subject to registration and belong to the public domain. Everyone can use generic words as part of their trademarks.

My dissent has to do with the power of the Court to introduce exceptions to statutory provisions when they provide none, either by their literal language or statutory construction. This is especially true in commercial matters where predictability and stability are the norms that their stakeholders give prime importance to. These are policy matters which belong to the political branches of government. And rightly so. There are many factors and actors involved. Each must be consulted about the impact of creating exceptions and introducing new policies. This is because their impact is great and their requirements probably go beyond the job description which we hold as members of the Court.

Section 3 of the *Intellectual Property Code* commands:

SECTION 3. International Conventions and Reciprocity. — Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty[,] or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, **shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act. 3** (Emphasis supplied)

So when the Court creates rights to favor petitioner Ginebra San Miguel, it also automatically favors others anywhere in the world. We do not give relief only to the party litigant but to others as well. There is too the reverse reciprocity provision to consider in Section 231 of the *Code* —

Section 231. Reverse Reciprocity of Foreign Laws. — Any condition, restriction, limitation, diminution, requirement, penalty[,] or any similar burden imposed by the law of a foreign country on a Philippine national seeking protection of intellectual property rights in that country, shall reciprocally be enforceable upon nationals of said country, within Philippine jurisdiction. **4**

My objection to the otherwise brilliant exposition of the highly esteemed Chief Justice Alexander G. Gesmundo (*Chief Justice Gesmundo*) is that we may be engaging in *judicial legislation*. In the recent case of *Calleja v. Executive Secretary*, **5** he wisely counseled:

Another aspect of judicial review that this proposal seeks to address is that, in the exercise of judicial power, a currently noticeable tendency in court rulings is to veer away from their sworn duty of settling rights and obligations or determining the presence of grave abuse of discretion on the part of the government **by unwittingly determining policies themselves, an exercise of power reserved for the political branches. This anomaly has come to be known as "judicial legislation" where a court "engraft[s] upon a law something that has been omitted which [the court] believes ought to have been embraced," as opposed to finding a statute's true meaning by way of liberal construction.** **6** (Emphases supplied)

The Court abhors judicial legislation. We chided the National Transmission Corporation for seeking a benefit that the Electric Power Industry Reform Act statute did not grant. **7** The Court held —

x x x TransCo **urges this Court to exercise liberality and set a jurisprudential precedent, allowing the rounding-off method to be applied** in the government sector in computing separation benefits. This, however, **we cannot do without inserting words and phrases in the [unequivocal language of the governing laws] in order to supply an intention for the legislature.** The EPIRA is clear on its prescribed amount of separation pay, and there is no statutory authority upon which TransCo's submission, no matter how noble, may find support. **The Court's mandate is generally limited to the interpretation of laws and their application to cases and controversies. We cannot engraft upon a law something that has been omitted** which someone believes ought to have been embraced **lest we transcend the area of "judicial legislation forbidden by the tripartite division of powers among the three departments of government[.]" We cannot, in the guise of interpretation, enlarge the scope of a statute or include, under its terms, situations that were not provided nor intended by the lawmakers.** **8** (Emphases supplied)

Fruehauf Electronics Philippines Corporation v. Technology Electronics Assembly and Management Pacific Corporation **9** refused to add the power to review the correctness of a Construction Industry Arbitration Commission award to the Court's jurisdiction because Republic Act No. 9285, *Alternative Dispute Resolution*, did not so provide. The Court held: "There is **no law granting the judiciary authority to review** the merits of an arbitral award. If we were to insist on reviewing the correctness of the award (or consent to the CA's doing so), it would be **tantamount to expanding our jurisdiction without the benefit of legislation. This translates to judicial legislation** — a breach of the fundamental principle of separation of powers." **10**

We also cautioned in *Securities and Exchange Commission v. Commission on Audit* **11** that —

The primary rule in addressing any problem relating to the understanding or interpretation of a law is to examine the law itself to see what it plainly says. This is the plain meaning rule of statutory construction. **To go beyond what the law says and interpret it in its ordinary and plain meaning would be tantamount to judicial legislation.** The plain meaning rule or *verba legis* is the most basic of all statutory construction principles. When the words or language of a statute is clear, there may be no need to interpret it in a manner different from what the word plainly implies. **This rule is premised on the presumption that the legislature knows the meaning of the words, to have used words**

advisedly, and to have expressed its intent by use of such words as are found in the statute. (Emphases supplied)

In *Spouses Cueno v. Spouses Bautista*, **12** the Court held —

"Where the law speaks in clear and categorical language, there is no room for interpretation — there is room only for application." x x x. In view of the express wording of Article 173, the non-consenting wife must file her action within ten years from the questioned transaction, *i.e.*, the execution of the relevant deed. Failing which, the remedy of the wife is "to demand from the husband or his heirs the value of the property after the dissolution of the marriage in case said alienation was in fraud of the wife." **13** (Emphasis supplied)

In a footnote to the quoted portion, the Court reminded us all —

As likewise discussed by Justice Zalameda, Article 173 "should not be subject to interpretation insofar as the reckoning period of the exercise of the remedy as Article 173 is clear and categorical. **Also, despite the seeming unfairness of the situation, the Court cannot engage in judicial legislation by moving the reckoning period to another time,** say from the wife's knowledge or discovery of the transaction." **14** (Emphasis supplied)

The Majority adopts the *primary significance test* to determine a product's generic nature. But as pointed out by Senior Associate Justice Leonen, in his dissent, this test appears in Section 151.1 (b) **15** and refers to the *cancellation* of registration of a mark that has become generic. It is an after-the-fact test, not a test to determine *genericness* at the first instance. More significantly, the test is *meant to show the generic quality of an already registered mark*, which here is *not the issue*. *Ginebra* is *admittedly* already a *generic* name. The issue is, can there be an exception by way of a test to show that *Ginebra* is no longer generic. Hence, the reference to Section 151.1 (b) **16** is respectfully submitted to be not in point.

At first instance, the relevant definer of *genericness* is still the one in [Societe Des Produits Nestle, S.A. v. Dy, Jr.](#), **17** which both the brilliant *ponencia* Chief Justice Gesmundo and the dissent of Senior Associate Justice Leonen have referred to. As to whether the primary significance test *would be* adopted to determine the generic classification of a mark *at first instance* remains to be seen. Should the Court adopt it? Since we presume that Congress intended to exclude generic marks from any exceptions to the registrability disqualification, it should be Congress that must make the determination.

The Majority also refers to the exceptions to the doctrine of foreign equivalents to justify the registrability of a generic mark in its original foreign text but not in its translated version. Again, whether we should adopt these exceptions as grounds for allowing the registrability of generic marks despite the solid bar against their registration is not for the Court to decide. This is because the institution of these exceptions would effectively amend Section 123.1 (h) of our *Intellectual Property Code*. **18** This action would tread upon forbidden judicial legislation.

The same observation applies to the extension of the doctrine of secondary meaning to cover generic marks as well. This would mean an amendment of Section 123.1 (h) of the *Intellectual Property Code*, which is beyond our jurisdiction. Congress chose to codify our intellectual property laws. With more reason, this means that Congress has opted to make the rights and obligations created by the *Code* to be comprehensive and complete.

I do not doubt the conclusion of the Majority that when the Ginebra name is read or mentioned aloud, it is more likely than not that the relevant public is referring to petitioner Ginebra San Miguel's products. The unfortunate thing, however, is that the *Intellectual Property Code* does *not* recognize popularity as an exception to the *unregistrability* of generic names. This state of affairs could be unfair to GSM. But Congress has its reasons for not providing for this or other exceptions to the general rule of their *non-registrability*. The Court *cannot just step in* since in commercial matters, the *relevant stakeholders have been consulted*, and *with all their means and intelligence*, already knew, or at least presumed to have known, what the impact of commercial laws, including the *Code*, would have on their businesses. *We cannot change the rules of the ball game in the middle of the game*. This is *not the ethos* that has driven the fanaticism which has breathed life into the legend of *Barangay Ginebra*.

Thus, I vote to deny the petition of Ginebra San Miguel and grant the petition of petitioner Tanduay Distillers, Inc.

M.V. LOPEZ, J., concurring and dissenting:

G.R. No. 196372 involves Ginebra San Miguel, Inc.'s (GSMI) application for registration of the "GINEBRA" mark while G.R. Nos. 210224 and 219632 refer to GSMI's complaint for infringement and unfair competition against Tanduay Distillers, Inc. (TDI) for its use of the "GINEBRA KAPITAN" mark. On the other hand, G.R. No. 216104 pertains to TDI's trademark application for "GINEBRA KAPITAN," which the Court of Appeals (CA) denied. The main issue to be resolved is whether "GINEBRA" is a generic or descriptive term.

I agree with the *ponencia* that "GINEBRA" is a registrable mark. However, TDI is not liable for trademark infringement, instead, it is liable for unfair competition.

I. Translation of foreign marks

Section 124 (j) **1** of the Intellectual Property (IP) Code **2** and Rule 404 **3** of the 2017 Trademark Regulations **4** require the transliteration or translation of a mark in trademark applications. While the purpose of this requirement was not expressly provided, a reading of both the IP Code and the 2017 Trademark Regulations reveals that a transliteration or translation of a mark would be relevant in case the application constitutes a translation of a well-known mark. Accordingly, the trademark application will be denied if the mark constitutes a translation of a well-known mark under Section 123 (e) and (f) of the IP Code. However, this is not the case as regards generic, customary, or descriptive marks.

The following guidelines in the *ASEAN Common Guidelines for the Substantive Examination of Trademarks* **5** (*common guidelines*) highlight the importance of local, national, or spoken language in refusing the registration of generic, customary, and descriptive terms:

- (a) Refusal therefore **needs to be assessed locally** in the context of each particular country or community, **and in the language or languages spoken therein. 6**
- (b) A sign that contains a merely allusive reference to some feature of the product or service, or an indirect reference to some characteristic of the relevant goods or services, should not be regarded as 'descriptive' for purposes of registration.

The reference basis to ascertain whether a sign (word or figurative element) is descriptive should be the common meaning and understanding of the sign by the relevant consumers in the country. As with **generic and common designations**, this ground for refusal

must be assessed in the context of the local language and perception by consumers in the country concerned.

- (c) **Descriptive terms in foreign languages should be assessed on the basis of the level of knowledge and understanding of those terms by the relevant consumers in the country concerned. If a foreign language or certain terms or expressions in a foreign language are well understood in the country, this ground for refusal should apply in the same way as for terms in the national language.** 7
- (d) Moreover, the **descriptiveness of a word must necessarily be assessed on the basis of the language or languages that are spoken or understood by the average consumers of the goods or services for which the mark will be used in the country concerned.** 8 (Emphases supplied)

It can be inferred from these guidelines that refusal of generic, customary, and descriptive terms in a foreign language does not automatically follow after its translation. The registering authority must first determine the consumer's familiarity or understanding of the foreign generic, customary, or descriptive word before refusing its registration. If the relevant consumers understand the foreign word as a generic, customary, or descriptive word, which is also used as such in the relevant industry, then refusal of the registration is proper. The foreign word lacks distinctiveness. Therefore, it cannot function as a trademark because it cannot distinguish the goods it covers from other manufacturers or service providers. Further, the registering authority cannot allow its registration because it will prevent other persons or entities from using the same word to identify or describe their products or services. 9 Conversely, the registering authority may allow the registration of a foreign generic, customary, or descriptive word if it has no significance to the relevant consumers or industry. Preventing a person from monopolizing a foreign word not used in trade to name the goods or describe their features is unnecessary because the relevant consumers and industry already use another word.

In G.R. No. 196372, GSMI filed an application for registration of the word "GINEBRA" for gin products. The trademark application was rejected because "GINEBRA" is a Spanish word for gin. On appeal, the Intellectual Property Office (IPO) Director General applied the doctrine of foreign equivalents and similarly found "GINEBRA" to be a generic term for alcoholic spirits distilled from grain and flavored with juniper berries. The word "GINEBRA" belongs to the public domain and anyone can use it. 10 GSMI cannot appropriate the word "GINEBRA" and exclusively use it on its gin products. 11

The CA upheld the application of the doctrine of foreign equivalents in ruling that "GINEBRA" is a generic term. It quoted the Bureau of Trademark (BOT) Director's observation, to wit:

x x x Thus, **a mark that is generic in a foreign language is still unregistrable even if the language is not predominantly spoken in the country where the registration is sought.**

Applying the doctrine of foreign equivalents in determining whether a foreign term is entitled to registration, the test is whether, **to those buyers familiar with the foreign language, the word would have a descriptive or generic connotation.** It is, therefore, **irrelevant whether majority of Filipinos do not speak fluent Spanish.** It is **only necessary that the foreign word is susceptible of a generic translation to a group of buyers even vaguely familiar with the Spanish language.** Absolute unanimity is not required. 12 (Emphases supplied)

The BOT's examination of the "GINEBRA" trademark application ended when GSMI provided the English translation of "GINEBRA." As observed by the *ponencia*, the BOT discarded all other evidence presented by GSMI to prove that "GINEBRA" is a distinctive mark. **13** BOT's failure to consider the consumer perception and the local, national, or spoken language in the Philippines contravened the *common guidelines* and resulted in the denial of a registrable mark. Likewise, the CA's findings violate the *common guidelines* when it held that only consumers familiar with the foreign language must be considered in determining the registrability of "GINEBRA." Effectively, the CA disregarded the relevant consumers' local, national, or spoken language.

To my mind, consideration of the consumer perception and the local, national, or spoken language in the Philippines must be made to examine the "GINEBRA" trademark application fully. The *ponencia* has already provided an exhaustive discussion of public perception in determining the genericness of a particular word, so I will proceed to discuss the relevance of the local, national, or spoken language in the Philippines.

The 1935 Constitution provides that English and Spanish are the official languages in the Philippines. **14** But Act No. 1946 **15** already changed the official language of courts from Spanish to English after January 1, 1913. It stated that "[t]he official language of all the courts and their records shall be the Spanish language until the first day of January, nineteen hundred and thirteen. After that date, English shall be the official language." **16** The Spanish language was officially removed as the Philippines' official language under the 1973 Constitution, which provided that English and Pilipino shall be the official languages. **17** Finally, under the 1987 Philippine Constitution, Filipino was declared the national language while the English language remained as one of the official languages. The Spanish language is merely promoted on a voluntary and optional basis. **18**

As early as 1942, the Court, in *Ang v. Teodoro*, **19** delved into the etymology and meaning of the Tagalog words "Ang Tibay" to determine its registrability. The Court likewise considered how "Ang Tibay" is ordinarily used in the Philippines and observed:




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 administration 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" 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."**

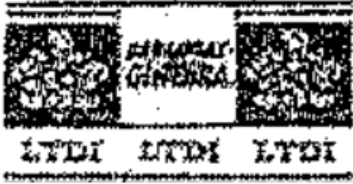



From all of this we deduce that "Ang Tibay" is not a descriptive term within the meaning of the Trade-Mark Law but rather a fanciful or coined phrase which may properly and legally be appropriated as a trademark or trade-name x x x we find that "Ang Tibay," as used by the respondent to designate his wares, had exactly performed that function [to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied] 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.** 20 (Emphases supplied)

The Court did not merely translate the words "Ang Tibay" in determining its registrability. Instead, it considered how "Ang Tibay" is ordinarily used in different contexts to conclude that "Ang Tibay" is not used to define or describe an object. "Ang Tibay" performed its function of identifying the origin or ownership of the goods to which it is used. Therefore, "Ang Tibay" is registrable. Similarly, the Court should consider how the word "GINEBRA" is used; translating it to English is not enough to determine its registrability.




GSMI claimed that "GINEBRA SAN MIGUEL" is a gin product originally manufactured by Destilerias Ayala, Inc. since 1834. Then, La Tondeña Incorporada (LTI) continued using the brand in 1924 until it merged with San Miguel Corporation in 1986. LTI became La Tondeña Distillers, Inc. (LTDI) until it changed its name to Ginebra San Miguel, Inc. (GSMI) in March 2003. 21 Surely, "GINEBRA" was first used at the time when Spanish was one of the official languages in the Philippines. But there is no substantial evidence that the relevant consumers and the gin and liquor industry used "GINEBRA" as a generic or descriptive term to refer to or describe gin products. Notably, several trademark applications before GSMI applied for the registration of "GINEBRA" in 2003 also cover wine products, such as "GINEBRA PINOY," 22 "GINEBRA PRESIDENTE," 23 and "LEGASPI GINEBRA." 24 If the liquor industry uses the term "GINEBRA" to identify gin products, there can be no reasonable explanation why these distilleries will register a mark with the word "GINEBRA" for wine products. Hence, "GINEBRA" is neither generic nor descriptive of gin products.

A closer examination of how GSMI and TDI incorporated the word "GINEBRA" shows that it is a distinctive term. As of July 31, 2022, below are some of the GINEBRA marks under GSMI and its related companies, appearing in the IPOPHL Trademark Database:

| MARK | IMAGE | FILING DATE | STATUS |
|------------------|---|-------------------|----------------|
| GINEBRA |  | February 21, 2003 | Pending |
| BARANGAY GINEBRA |  | July 13, 2010 | Registered |
| GINEBRA CAMPEON |  | March 7, 1989 | For validation |




| | | | |
|---------------------------|---|----------------------|---|
| BARANGAY GINEBRA |  | February 12, 1999 | Registered |
| GINEBRA LIMON | | October 28, 1996 | Abandone d with Finality |
| GINEBRA NA! | | April 25, 1996 | Abandone d with Finality |
| GINEBRA TAYO | | April 11, 2022 | For validation |
| GINEBRA LIGHT | | October 25, 2021 | For validation |
| GINEBRANG GINEBRA |  | October 24, 2003 | Remove from register for non-use |
| GINEBRA S. MIGUEL |  | April 20, 2006 | Registered |
| GINEBRA SAN MIGUEL |  | May 27, 1981 | Registered |
| GINEBRA NG LIGHT | | April 11, 2022 | For validation |
| GINEBRA LIMON LABEL | | October 28, 1996 | Abandone d with Finality |

| | | | |
|---------------------------------|---|--------------------------|--|
| GINEBRA SAN MIGUEL |  | August 20, 2018 | For validation |
| GINEBRA SAN MIGUEL |  | April 2, 1985 | Removed from register for non-use |
| GINEBRA S. MIGUEL |  | April 11, 2022 | For validation |
| GINEBRA KA MIGUEL | | April 1, 1998 | Abandone d with Finality |
| GINEBRA SAN MIGUEL |  | Decemb er 16, 1952 | Registered |
| GINEBRA SAN MIGUEL BOTTLE |  | August 16, 1973 | Registered |


| | | | |
|--|--|-----------------------|-------------------|
| GINEBRA SAN MIGUEL (GIN) 250 ML. |  | March 9, 1994 | Registered |
| GINEBRA SAN MIGUEL FLAVORED GIN LABEL DESIGN |  | April 21, 2008 | For validation |
| GINEBRA SAN MIGUEL PREMIUM GIN (STYLIZED WORD MARK & DEVICE) |  | September 25, 2007 | For validation |

GSMI and its related companies use the word "GINEBRA" as part of a word or composite mark. They usually combine the word "GINEBRA" with arbitrary terms or symbols, descriptive terms, or even the generic term "gin." On the other hand, TDI filed the following "GINEBRA" trademark applications:

| MARK | IMAGE | FILING DATE | STATUS |
|--------------------|------------------------|--------------------|-------------------|
| GINEBRA KAPITAN | | January 1, 2003 | For validation |
| GINEBRA KAPITAN | Ginebra Kapitan | August 9, 2006 | For validation |

| | | | |
|--------------------|---|---------------------|--|
| GINEBRA ORANGE |  | November 8, 2012 | Refused with finality |
| GINEBRA PRIMERO | Ginebra Primero | March 10, 2003 | Removed from register for non-use |
| GINEBRA ORANGE |  | March 6, 2014 | Pending |
| GINEBRA MATADOR |  | May 10, 1993 | Abandoned with finality |
| GINEBRA KAPITAN | Ginebra Kapitan | January 7, 2003 | Removed from register for non-use |
| GINEBRA HENERAL | Ginebra Heneral | January 7, 2003 | Removed from register for non-use |

| | | | |
|----------------------------------|---|---------------------|--|
| GINEBRA AGILA |  | January 7, 2003 | Removed from register for non-use |
| GINEBRA ORANGE |  | May 11, 2017 | For validation |
| GINEBRA TOREADOR |  | August 10, 1993 | Pending |
| GINEBRA TORRERO & DEVICE |  | February 5, 2003 | Abandoned with finality |
| GINEBRA PINEAPPLE & DEVICE |  | October 8, 2010 | Refused with finality |
| GINEBRA GUAVA & DEVICE |  | October 8, 2010 | Refused with finality |
| GINEBRA TOREADOR & DEVICE |  | March 10, 2003 | Removed from register for non-use |

| | | | |
|---------------------------------|---|---------------------|--|
| GINEBRA PRIMERO 80 |  | March 10, 2003 | Removed from register for non-use |
| GINEBRA POMELO & DEVICE |  | January 11, 2010 | Pending |
| GINEBRA TORRERO & DEVICE |  | August 10, 1993 | Abandoned with Finality |
| GINEBRA TOREADOR & DEVICE | | August 10, 1993 | Abandoned with Finality |
| GINEBRA PRIMERO 80 |  | May 10, 1993 | Removed from register for non-use |
| GINEBRA LIME & DEVICE |  | November 4, 2009 | Pending |
| GINEBRA ESPECIAL & DEVICE |  | November 4, 2009 | Pending |

TDI likewise incorporated the word "GINEBRA" in its word and composite marks. TDI usually combined "GINEBRA" with arbitrary words, such as "kapitan," "matador," "heneral," "agila," "toreador," and "torrero," and descriptive terms, e.g., orange, pineapple, guava, pomelo, and lime. TDI's use of the word "GINEBRA" as part of these descriptive terms suggests that "GINEBRA" is the distinctive element of the proposed marks. More telling is TDI's use of "GINEBRA" as the dominant feature of the following composite marks:

"Ginebra Orange"



“GINEBRA ORANGE”

"Ginebra Pineapple"



“GINEBRA PINEAPPLE”

"Ginebra Guava"



“GINEBRA GUAVA”

"Ginebra Pomelo"



**GINEBRA
POMELO**

“GINEBRA POMELO”

"Ginebra Especial"



"Ginebra Lime"



The word "GINEBRA" is written inside a ribbon at the top portion of the mark, and below it are the descriptive terms "PINEAPPLES" and "GUAVA." Meanwhile, the size of the word "GINEBRA" above the descriptive terms "ORANGE," "POMELO," "ESPECIAL," and "LIME" is considerably larger than the other elements of the composite marks. Therefore, applying the Dominancy Test, the word "GINEBRA" is the dominant feature of these marks. This reveals TDI's intention to use "GINEBRA" as a distinctive term — not merely as a generic or descriptive term. This observation is consistent with the survey evidence showing that 90% of more than 6 million gin drinkers in the Greater Manila Area, North Luzon, and South Luzon associated "GINEBRA" with GINEBRA SAN MIGUEL, SAN MIGUEL, or LA TONDEÑA. **25** Thus, "GINEBRA" is a distinctive mark that distinguishes GSMI's gin products from other manufacturers.

All told, the examination of the trademark application should not have ended in translating the proposed mark. Assessment of relevant consumer's understanding based on the local, national, or spoken language in the Philippines is just as important in determining the registrability of "GINEBRA."

For these reasons, I submit that "GINEBRA" is neither generic nor descriptive. I share the opinion of Justice Alfredo Benjamin S. Caguioa that "GINEBRA" is a suggestive mark.

In *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.* **26** (*Kolin*), the Court enumerated the following marks based on the degree of distinctiveness:

- 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 — marks 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 objects to which they apply (e.g., CHAIR in relation to chairs). They are not eligible for protection as marks under the IP Code. **27**

A suggestive mark is an intermediate category of signs that are "suggestive, by association, of the goods for which they are to be used, and of the nature, quality, origin, or any other characteristic, of those goods, without being actually descriptive." **28** In other words, suggestive marks hint at the nature, quality, or attributes of the product, and some imagination is required for the consumer to identify these attributes. **29** In determining whether a mark is suggestive or descriptive, the World Intellectual Property Organization (WIPO) suggests:

This question [whether a mark is suggestive or descriptive] has to be **judged according to the local law and jurisprudence of the country and all the circumstances of the specific case.** If the registrar has a doubt, or is convinced that **the term is descriptive rather than suggestive, he has to consider whether and to what extent the term has already been used by the applicant.** **30** (Emphases supplied)

As defined in the *ponencia*, "GINEBRA" is more accurately translated as *Genever* or *Jenever*, a juniper berry-flavored grained spirit. **31** Particularly, "Ginebra San Miguel" is a "dutch-type" gin for which the "predominant flavor emanates from juniper berries that are imported from Europe." **32** This attribute of gin products is not obvious to the relevant consumers in the Philippines. The consumer obviously needs an effort to translate the word "GINEBRA" to *Genever* or *Jenever* and some imagination to associate it with juniper berries. As previously discussed, neither the relevant consumer nor the liquor industry uses the word "GINEBRA" to refer to or describe gin products. With this, "GINEBRA" falls under the category of suggestive marks, or a mark that hints at the nature or attributes of gin products flavored with juniper berries.

If the Court refused the registration of "GINEBRA" and allowed its use by other manufacturers, absent substantial evidence that the consuming public and liquor industry use it as a generic or descriptive term for gin products, the more important question is whether the Court will be protecting the consuming public or it will only cause confusion of goods. In my opinion, the latter will likely ensue.

Confusion of goods exists when an ordinary prudent purchaser would be induced to buy a product of a manufacturer under the belief that it is the product of another manufacturer. **33** Confusion of goods is highly likely when the goods covered by the subject marks are the same or competing goods. **34** Here, GSMI used the word "GINEBRA" on its gin products. It even used it as part of its tradename. Human nature and experience dictate that gin products bearing the mark "GINEBRA" are produced by a company that also uses "GINEBRA" as part of its tradename. Therefore, allowing TDI to use the term "GINEBRA" on its gin products will only cause confusion of goods.

II. Generic marks cannot acquire distinctiveness

Section 123.2 of the IP Code provides:

Section 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.

Paragraphs (j), (k), and (l) refer to descriptive, shape, and color marks that have become distinctive to the goods for which the registration is sought. These marks can be registered if the applicant can prove substantial exclusive and continuous use of the mark for five (5) years. Section 123.2 does not include generic marks under paragraph (h). In *Kolin*, the Court made a categorical statement that generic marks are not eligible for protection as marks. **35** On the other hand, descriptive marks are registrable only when they have acquired a secondary meaning under Section 123.2. Unlike descriptive marks, generic marks cannot acquire secondary meaning. **36** Otherwise, the subsequent registration of generic terms would prevent other persons from using it to describe the genus of the goods. **37**

The *ponencia* upheld GSMI's contention that "GINEBRA" is a descriptive term and not a generic one:

The Court finds that "GINEBRA," based on public perception under the primary significance test, is not a generic term. Rather, it is considered a descriptive mark because it characterizes the gin product of GSMI, which may be registerable under the doctrine of secondary meaning due to the long usage of "GINEBRA" and it coming to be known by the consuming public as specifically and particularly designating the gin product of GSMI. **38** (Emphases supplied)

I agree with the *ponencia* that "GINEBRA" is not a generic term. As previously discussed, there is no evidence to prove that the word "GINEBRA" was used or is being used as a generic term in the liquor industry to refer to gin products when the application for trademark registration was filed. The IPO's only basis for denying the registration of "GINEBRA" is the application of the doctrine of foreign equivalents. The *ponencia* correctly ruled that the doctrine of foreign equivalents is not applicable when the relevant public has placed a different or alternate meaning or assessment to a foreign word. **39** Relevantly, in *United States Patent and Trademark Office v. Booking.com*, **40** the United States Supreme Court held that a term is generic only if it has that meaning to consumers. Thus, "GINEBRA" may not be considered generic if the public does not perceive it as a generic term for gin. The survey results, in this case, show that the term "GINEBRA" functions as a trademark. The majority of the gin-consuming public identified "GINEBRA" with GSMI's gin products. **41** Even if the Court applies the doctrine of foreign equivalents, the *ponencia* opines that "GINEBRA" is, at the very least, a descriptive mark that has acquired distinctiveness under Section 123.2 — thus, it is still registrable. However, the *ponencia* further discussed that even if "GINEBRA" was originally generic, evidence may still be presented to establish that it has acquired distinctiveness **42** because the IP Code does not explicitly prevent generic terms from evolving into a descriptive term. **43** In effect, the *ponencia* declares that generic terms may eventually be registered as trademarks. In my opinion, this interpretation would create confusion and blur the distinction between generic and descriptive marks.

It bears reiterating that Section 123.2 only covers paragraphs (j), (k) and (l). It is a cardinal rule in statutory construction that there should be no room for construction or

interpretation when the law is clear and free from any doubt or ambiguity. **44** It is also a settled rule in statutory construction that "[w]here a statute, by its terms, is expressly limited to certain matters, it may not, by interpretation or construction, be extended to others." **45** The enumeration in Section 123.2 does not include paragraph (h), which refers to generic marks. Clearly, the Court cannot extend Section 123.2 to include generic marks.

At any rate, there is no evidence that "GINEBRA" is initially a generic mark that evolved into a descriptive one. **46** Therefore, I believe that there is no need to interpret Section 123.2 to mean that it does not preclude the possibility that a generic term will acquire secondary meaning and subsequently be registrable to support the registration of "GINEBRA."

III. TDI is NOT liable for trademark infringement, but it is liable for unfair competition

In *Prosource International, Inc. v. Horphag Research Management SA*, **47** the Court enumerated the following elements of infringement under the IP Code:

- (1) **The trademark being infringed is registered in the Intellectual Property Office; 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.

In the foregoing enumeration, it is the **element of "likelihood of confusion" that is the gravamen of trademark infringement**. But "likelihood of confusion" is a relative concept. The particular, and sometimes peculiar, circumstances of each case are determinative of its existence. Thus, in trademark infringement cases, precedents must be evaluated in the light of each particular case. **48** (Emphases supplied)

Meanwhile, in *In-N-Out Burger, Inc. v. Sehwan, Incorporated* **49** (*In-N-Out*), the Court identified the essential elements of unfair competition:

The essential elements of an action for unfair competition are
(1) **confusing similarity** in the general appearance of the goods and
(2) **intent to deceive** the public and defraud a competitor. The confusing similarity may or may not result from similarity in the marks, but may **result from other external factors in the packaging or presentation of the goods**. The intent to deceive and defraud may be inferred from the similarity of the appearance of the goods as offered for sale to the public. Actual fraudulent intent need not be shown. **50** (Emphases supplied)

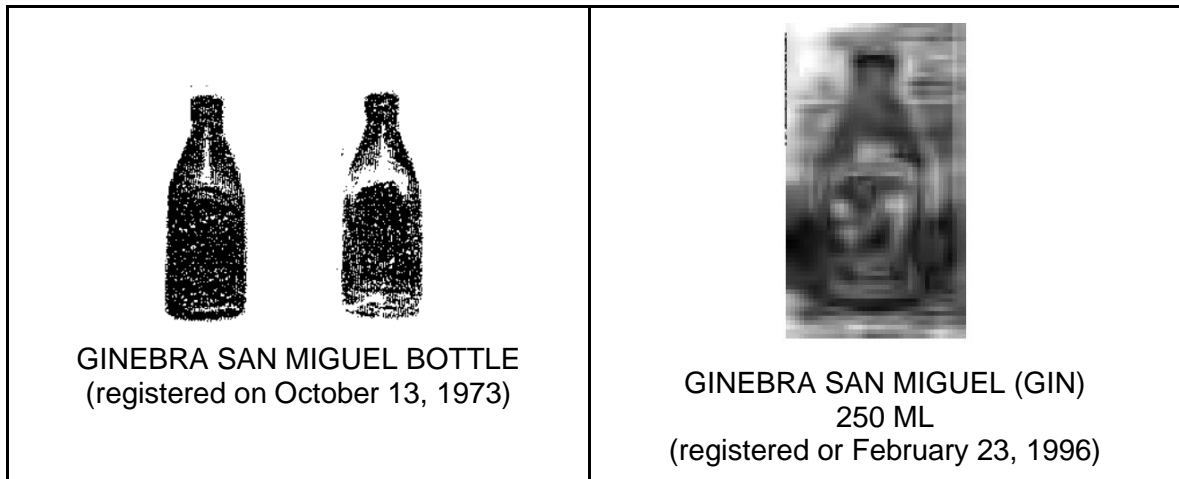
Relevantly, the Court, in *San Miguel Pure Foods Company, Inc. v. Foodsphere, Inc.*, **51** upheld the findings of the IPO Director General and CA that Foodsphere is not liable for trademark infringement, but it is liable for unfair competition. **52** The trademarks involved are "PUREFOODS FIESTA HAM" and "PISTA." Both marks are registered with the IPO. The IPO Director General observed that the marks are strikingly different because of (1) the house mark "PUREFOODS," which is not present in "PISTA" mark; (2) the different presentations of the marks; and (3) the trademark registration of "PISTA." Even so, Foodsphere is still liable for unfair competition because it gave the "PISTA" ham a general appearance that would likely influence purchasers to believe that it is similar to "PUREFOODS FIESTA HAM." **53**

Similarly, all the elements of unfair competition are present here, but not trademark infringement. The additional elements of "Kapitan" in "GINEBRA KAPITAN" and "San Miguel" in "GINEBRA SAN MIGUEL" reduce the likelihood of confusion when the marks are compared, free from other external factors like packaging or presentation of goods.

When GSMI filed the complaint against TDI in 2003, it cited the following registered marks:

| | |
|---|---|
| <p style="text-align: center;">GINEBRA SAN MIGUEL GINEBRA SAN MIGUEL (word mark)</p> | <p style="text-align: center;">GINEBRA SAN MIGUEL GINEBRA SAN MIGUEL (word mark)</p> |
| <p style="text-align: center;">GINEBRA S MIGUEL 65 GINEBRA S. MIGUEL 65</p> | <p style="text-align: center;"> LA TONDEÑA CLIQ! GINEBRA MIX & STYLIZED LETTERS LTD. WITH CROWN</p> |
| <p style="text-align: center;"> GINEBRA SAN MIGUEL</p> | |

Apart from the above marks, a search of the IPOPHL Trademark Database shows that GSMI also has the following relevant registered marks:



GSMI has trademark registrations for the "GINEBRA SAN MIGUEL" composite mark, the product label, and the words "GINEBRA SAN MIGUEL." Further, GSMI has been using the word "GINEBRA" as part of its tradename since March 2003. ⁵⁴ Hence, the existence of the first element of trademark infringement was established; however, the second and third elements of trademark infringement are lacking.

A visual and aural comparison of the dominant features of the marks "GINEBRA KAPITAN" and "GINEBRA SAN MIGUEL," which is also GSMI's trade name, reveal that the words "KAPITAN" and "SAN MIGUEL" eliminate the likelihood of confusion even if the identical word "GINEBRA" are used in both marks. Nevertheless, the connotation of the word "GINEBRA" is the same because the public has come to associate gin products bearing the word "GINEBRA" with GSMI, as evidenced by the survey results. Absent visual and aural similarities, I believe that there is no likelihood of confusion between "GINEBRA KAPITAN" and "GINEBRA SAN MIGUEL." Accordingly, there is no trademark infringement, but TDI may still be held liable for unfair competition. In *In-N-Out*, the Court emphasized that confusing similarity may or may not result from the similarity of the marks. Still, it may result if other external factors, such as packaging and presentation of goods, are considered. ⁵⁵

The general appearance of the parties' respective gin products suggests that they come from one manufacturer:



The striking similarities in the bottles' shape, the labels' content and layout, and the emphasis on the word "GINEBRA" will likely result in confusion of goods. The use of a clear round bottle for gin products is not customary. Unlike amber-colored steinie bottles of beer products, **57** a round clear bottle of gin is not a functional feature. Gin bottles come in different shapes, sizes, and colors. As to the labels, both marks are divided into four similar portions, (1) the portion where the word marks appear, (2) the portion where a character holding a bladed weapon in the middle is depicted, (3) the barcode on the left portion of the bottles, and (4) the portion on the bottom right corner of the bottle suggesting the origin of the goods. Further, the likelihood of confusion is bolstered by the identical connotation of the word "GINEBRA." GSMI's evidence, *e.g.*, survey results, marketing and advertising materials, has substantially established the strong association of the word "GINEBRA" to its gin products that the existence of another gin product bearing the "GINEBRA" mark will likely cause confusion as to its origin. Also, TDI's emphasis on "GINEBRA" in its label is inconsistent with its defense that it merely used the same word as a generic term. The word "GINEBRA," with a yellow background, almost overshadowed the arbitrary term "KAPITAN," with a blue background.

These similarities are more than a mere coincidence. It is incomprehensible how a gin product that also uses the word "GINEBRA" ended up in a similar bottle and label layout when there are so many possible combinations. This brings us to the second element of unfair competition, *i.e.*, intent to deceive the public and defraud a competitor. Actual fraudulent intent need not be shown. **58** TDI's intent to deceive can be inferred from the uncanny similarities of its gin bottles and labels to that of GSMI's. Thus, TDI is liable for unfair competition.

For these reasons, I vote to: (1) grant GSMI's petition in G.R. No. 196372 and allow the registration of the word "GINEBRA" for gin products; (2) partially grant TDI's petition in G.R. Nos. 210224 and 219632 and rule that there is no trademark infringement, but uphold the CA's findings of unfair competition; and (3) dismiss TDI's petition in G.R. No. 216104 and deny the registration of "GINEBRA KAPITAN."

A final word. The strength and capacity of a word or symbol to distinguish the goods it covers from the goods of other manufacturers depends on consumers' perception of the mark and its significance to the relevant industry at the time and place of the trademark application. The examination of a trademark application involving a term in a foreign language should not end in requiring its English translation. Equally important is the significance of the foreign word or symbol to its actual users — the consuming public and the relevant industry. The registering authority cannot prevent a person or entity from registering a foreign word or symbol if the consuming public and relevant industry do not use it to identify or describe the goods that the proposed mark covers or will cover.

J.Y. LOPEZ, J., concurring:

The doctrine of foreign equivalents is not the general rule in examining trademark applications and should not be applied blindly in each and every case involving a foreign word.

I am one with the *ponencia* in its comprehensive disquisition of the four related cases and its call for intellectual property adjudication to shift towards an objective, scientific, and economic approach.

Aside from the thorough analysis in the *ponencia*, I wish to offer additional perspective to the doctrine of foreign equivalents and its place in our jurisdiction's legal landscape. A contextualized understanding of this doctrine may support a clear framework for its application and aid towards a more pragmatic treatment toward foreign word marks at the application stage with the Bureau of Trademarks (BOT) under the Intellectual Property Office of the Philippines (IPOPHL).

At the outset, it must be emphasized that trademark law and practice is admittedly susceptible to subjectivity. Such is verbalized by the World Intellectual Property Organization (*WIPO*) itself:

On its own, a large subjective element is involved in trademark work. In many cases, there is no single "correct" answer to such questions as distinctiveness and the likelihood of confusion. Every mark is different and must be judged on its own merits in the light of all circumstances prevailing.
x x x **1**

Disregarding the rationale behind the doctrine of foreign equivalents that is mindful of the purpose of trademark protection will inevitably lead to inconsistent rulings. Such is the experience in the United States (*U.S.*), as I will discuss below.

At the *crux* of this controversy is the genericness of the mark "GINEBRA" and at stake would be the enforceable right of Ginebra San Miguel, Inc. (*GSMI*) to exclude all third parties not having their consent from using such mark.

In G.R. No. 196372, this mark was denied application by the BOT and, subsequently, the IPOPHL Director General on the ground that the word "GINEBRA" is a generic term, defined in the American Heritage Dictionary of the English language as a strong colorless alcoholic beverage made by distilling or redistilling rye or other grain spirits and adding juniper berries or aromatics such as anise, caraway seeds or angelica roots as flavoring, hence describing the goods itself. In G.R. No. 216104, the Bureau of Legal Affairs (*BLA*) of the IPOPHL ruled that *GSMI*'s use of the mark "GINEBRA" for a long period of time will not amount to an exclusive right to use the name and it would prejudice other persons who are also engaged in producing or manufacturing a similar class of gin products and who are using the same generic terms in their trade or services.

The doctrine was explained in the U.S. Case of *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En* **2** in this wise:

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 . . . When it is unlikely that an American buyer will translate the foreign mark and will take it as it is, then the doctrine of foreign equivalents will not be applied.

Although words from modern languages are generally translated into English, the doctrine of foreign equivalents is not an absolute rule and should be viewed merely as a guideline . . . **The doctrine should be applied only when it is likely that the ordinary American purchaser would "stop and translate [the word] into its English equivalent."** **3**

The *Palm Bay* case thus establishes "stop and translate" test in determining whether the doctrine shall apply. The *ponencia* herein mentions two other limitations; that of highly obscure or a dead languages and alternate meanings of the mark in the commercial setting where the mark is used.

The doctrine is so well-entrenched in American trademark law and practice that the U.S. PTO Trademark Manual of Examination Procedure (*TMEP*), incorporates it in the application process. As the *TMEP* instructs:

Whether an examining attorney should apply the doctrine of foreign equivalents turns upon the significance of the foreign mark to the relevant purchasers, which is based on an analysis of the evidence of record, including, for example, dictionary, Internet, and LexisNexis® evidence. If the evidence shows that the relevant English translation is literal and direct, and no contradictory evidence of shades of meaning or other relevant

meanings exists, the doctrine generally should be applied by the examining attorney. **4**

I hesitate to readily regard this doctrine and procedure with the same weight and rigor as the U.S. Patent and Trademarks Office (*PTO*) and courts do. While I do not dispute that American law is where most of our intellectual property laws are patterned from, I would still advocate the scrutiny of such far-reaching principles by examining the cultural and legal backdrop in its country of origin and an analysis as to whether it squares with our own. There are three main reasons for this proposition: *first*, the doctrine, as worded and as practiced in foreign jurisdictions, is subject to wide discretion; *second*, the rationale behind the doctrine is specific to the American marketplace; and *third*, it can potentially confuse instead of enhance existing Philippine intellectual property laws.

Wide Discretion in the Doctrine of Foreign Equivalents

Tribunals or courts tasked to consider the doctrine as part of its examination process will immediately be confronted with multiple questions: How is the likeliness to "stop and translate" determined? Who decides whether a language is highly obscure or dead? Is there a baseline number of a population to arrive at a finding that a language is obscure? In translating foreign words into English, which specific dictionaries are considered authoritative sources? The doctrine is described as a guideline in the *Palm Bay* case, but at the same time is considered a general rule by the U.S. PTO-TMEP. This leaves a wide room for discretion as to when and how the doctrine applies.

Consider the *ratio decidendi* in the leading case of *Palm Bay*, where the company behind the famous champagne brand, Veuve Clicquot, opposed the trademark application by Palm Bay for the mark "VUEVE ROYALE" as a brand of sparkling wine. The discussion stated thus:

The [TTAB] held that Palm Bay's VEUVE ROYALE was confusingly similar to VCP's mark THE WIDOW, in part because under the doctrine of foreign equivalents, an appreciable number of purchasers in the U.S. speak and/or understand French, and they "will translate" applicant's mark into English as "Royal Widow." . . . The [TTAB] erred in so finding.

xxx xxx xxx

Although words from modern languages are generally translated into English, the doctrine of foreign equivalents is not an absolute rule and should be viewed merely as a guideline . . . The doctrine should be applied only when it is likely that the ordinary American purchaser would "stop and translate [the word] into its English equivalent." . . . This court agrees with the T.T.A.B. that it is improbable that the average American purchaser would stop and translate "VEUVE" into "widow." Substantial evidence does not support the Board's finding regarding the doctrine of foreign equivalents. This court, therefore, reverses the Board's finding of likelihood of confusion for THE WIDOW. **5**

There is a dearth of explanation as to how the likelihood of American purchasers to translate French words is determined. Neither is it clear as to what quantum of evidence is required to be met in order to prove such likelihood.

Curiously, despite French belonging in the same category of romance languages as Spanish, **6** the doctrine of foreign equivalents is applied differently to the latter. Even then, two American trademark cases which both involved Spanish words marks still yielded contrasting rulings.

In the U.S. PTO-Trademark Trial and Appeals Board. (*TTAB*) opinion for *In re: Aquamar*, **7** the mark "MARAZUL" was denied registration for its resemblance to a

previously registered mark "BLUE SEA." In choosing to apply the doctrine of foreign equivalents, the U.S. PTO-TTAB stated that Spanish was a common language in the U.S., citing the fact that 12% of the U.S. population speaks Spanish. **8** It considered the bilingual packaging as a design targeted to the U.S. Hispanic market. Given this, the TTAB found that "ordinary purchasers of fish would stop and translate the mark "MARAZUL" into English." **9**

Another U.S. PTO-TTAB case involving a Spanish word mark, cited in the *ponencia*, discussed the term "LA POSADA" to which the doctrine of foreign equivalents was not applied. We quote with emphasis the relevant part of the *ponencia*:

The doctrine also typically will not be applied where the record indicates that it is unlikely purchasers would translate the mark because of "marketplace circumstances or the commercial setting in which the mark is used." This was applied in *In re: Pan Tex Hotel Corp.*, where it was found that the Spanish language mark "LA POSADA" for lodging and restaurant services, which translates to "the inn" would not likely be translated by American purchasers. It was therein held that **the manner of use of the mark on the applicant's specimens, in which the applicant used the mark in advertising brochures and on a sign mounted in front of its motor hotel** with the words "motor hotel" appearing directly under the notation LA POSADA, is completely different from your typical inn. **10**

Verily, the two contrasting cases would show that the "stop and translate" test is still not uniformly applied even in the same language. The excerpt from the *In re: Pan Tex Hotel Corp.* case would show that the U.S. PTO-TTAB based its opinion on the advertising brochures and the sign mounted stating "LA POSADA" which illustrated that it was different from a typical inn. We can likewise observe that the *In re: Pan Tex Hotel Corp.* case took place in 1976 while the *In re: Aquamar* opinion was released in 2015. It seems the passage of time and the presumably evolving demographics in a subject marketplace would heavily influence the likelihood for the American purchaser to stop and translate a foreign word into its English equivalent.

What remains consistent with both cases is the analysis of how each controversial mark distinguished itself from others using its packaging, signage, or advertising.

Looking at these sample rulings, it seems that, for all intents and purposes, the analysis would always revert to a determination of the existence of the basic element of a trademark: its distinctiveness. **11** This begs the question as to what unique purpose the doctrine of foreign equivalents may serve.

The Rationale Behind the Doctrine of Foreign Equivalents; Existing Guidelines in Republic Act (R.A.) No. 8293

The practical rationale behind the doctrine of foreign equivalents was discussed in the U.S. case of *In re: Spirits Int'l., N.V.* **12** Here, the U.S. PTO-TTAB denied the registration of the mark "MOSKOVSKAYA" for a vodka brand, holding that its English translation, "from Moscow" was deceptive as to the geographical source of the product. The U.S. PTO-TTAB, in applying the doctrine of foreign equivalents, discussed the two-fold purpose of the Trademark Act (also known as the "*Lanham Act*") was to protect both legitimate business and consumers of the country. **13** It proceeded to state:

The doctrine of foreign equivalents is fundamental to this protection. It extends the protection of the Act to those consumers in this country who speak other languages in addition to English. As explained in *Otokoyama Co. v. Wine of Japan Import, Inc.* . . . "This extension rests on the assumption that there are (or someday will be) customers in the United

States who speak that foreign language." The Court noted the "diversity of the population of the United States, coupled with temporary visitors, all of whom are part of the United States marketplace." All U.S. consumers, including those consumers who speak or understand both English and a foreign language, are entitled to be protected under Section 2(e)(3) from being deceived as to the geographic source of a product. **14**

Clearly, the doctrine of foreign equivalents is meant to be an extension of *existing* U.S. intellectual property laws that protect consumers from being deceived into purchasing a product they did not intend to. The doctrine fortifies already-existing laws by including all types of consumers within its scope of protection, such as those speaking foreign languages. As stated by the U.S. PTO-TTAB, this is owing to the uniquely diverse demographics of the U.S. population, and consequently, the U.S. marketplace. One can suppose that such diversity likewise manifests into their dictionaries which may adopt more foreign words than other dictionaries. Notably, in G.R. No. 216104, the BLA and IPOPHL Director General cited the American Heritage Dictionary in justifying its position that "GINEBRA" was a generic term as it found such term incorporated in the English language. Interestingly, the Merriam-Webster dictionary or the Oxford English Dictionary do not incorporate the word "GINEBRA" into the English language. This reveals that even the choice of dictionary is a layer of discretion afforded by the doctrine of foreign equivalents.

There is no evidence that would suggest that Philippine consumer demographics is comparable to that of the U.S., necessitating such doctrine in our adjudication of trademark cases. Furthermore, a look into R.A. No. 8293 would show that its primary object of protection slightly varies from that of the Lanham Act.

Section 2 of R.A. No. 8293 provides that it is the State Policy to "protect and secure the exclusive rights of scientists, inventors, artists, and other gifted citizens to their intellectual property and creations, particularly when beneficial to the people," for such periods as provided in law.

It follows that the protection of the intellectual property rights holders — referring to them collectively — can inevitably lead to the protection of the consumer as a result. The WIPO provides a profound yet succinct explanation:

Industrialization and the growth of the system of the market-oriented economy allow competing manufacturers and traders to offer consumers a variety of goods in the same category. Often without any apparent differences for the consumer they do generally differ in quality, price and other characteristics. Clearly consumers need to be given the guidance that will allow them to consider the alternatives and make their choice between the competing goods. Consequently, the goods must be named. The medium for naming goods on the market is precisely the trademark.

Businesses also need trademarks to individualize their products, however, in order to reach out to consumers and communicate with them. So, trademarks serve their owners in the advertising and selling of goods, and they serve the economy in a general sense by helping to rationalize the commercialization of goods.

By enabling consumers to make their choice between the various goods available on the market, trademarks encourage their owners to maintain and improve the quality of the products sold under the trademark, in order to meet consumer expectations. In a market that offers a choice, a consumer who is disappointed will not buy the same product again. One who is satisfied will tend to rely on the trademark for his future purchase decisions. **Thus trademarks reward the manufacturer**

who constantly produces high-quality goods, and as a result they stimulate economic progress. 15

After recognizing their societal role, we can truly appreciate what defines a trademark. Such appreciation, in turn, should serve as the backbone for intellectual property adjudication, notwithstanding the use of foreign word marks.

Under R.A. No. 8293, a "mark" is defined as any visible sign capable of distinguishing goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods. 16

The WIPO, which provides a similar definition, provides an enlightening explanation behind it:

This definition comprises two aspects, which are sometimes referred to as the different functions of the trademark, but which are, however, interdependent and for all practical purposes should always be looked at together:

In order to individualize a product for the consumer, the trademark must indicate its **source**. This does not mean that it must inform the consumer of the actual person who has manufactured the product or even the one who is trading in it: the consumer in fact often does not know the name of the manufacturer, still less the geographical location of the factory in which the product was made. This is not necessary for the trademark to fulfil its purpose of indicating origin. It is sufficient that the consumer can trust in a given enterprise, not necessarily known to him, being responsible for the product sold under the trademark.

The origin function as described above presupposes that the trademark distinguishes the goods of the given enterprise from those of other enterprises; only if it allows the consumer to distinguish a product sold under it from the goods of other enterprises offered on the market can the trademark fulfil its origin function. **This shows that the distinguishing function and the origin function cannot really be separated.** For practical purposes one can even simply rely on the distinguishing function of the trademark, and define it as "A sign which serves to distinguish the goods of one enterprise from those of other enterprises." 17

Hence, even without a consideration of the doctrine of foreign equivalents, We are nevertheless equipped by existing guidelines in our laws to determine which marks are generic and which marks are distinctive.

The relevant provisions of R.A. No. 8293 discuss genericism in this wise:

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

xxx xxx xxx

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

xxx xxx xxx

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 damages by the registration of a mark under this Act as follows:

xxx xxx xxx

(b) At any time, if the registered mark becomes the generic name for the goods and services, or a portion thereof, for which it is registered . . . **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. **18**

As early as 1942, this Court had already recognized a mark's long and exclusive use in its determination as to whether it is distinctive enough to form a connection in the mind of the public between the product and its source.

In the case of *Ang v. Teodoro*, **19** the trademark "ANG TIBAY" used by the respondent, a shoemaker, was attacked for being a descriptive term because it translated to the English phrase "strong, durable, and lasting." This Court disagreed, and ruled thus:

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. **20**

The analysis of a mark's distinctiveness and its association to its origin or ownership, or lack thereof, has also been applied by this Court to foreign word marks.

In the case of *Lyceum v. CA*, **21** this Court declined the registration by the Lyceum of the Philippines of the term "LYCEUM" as the term had already become generally associated with schools and other institutions of learning. In declining its registration, it is important to note that this Court ruled that the word "LYCEUM," although Latin, had already been incorporated into the English language. The term "LYCEUM" had somewhat become a substitute for the word "university" in some places and has been adopted by several schools such as "Lyceum of Aparri," "Lyceum of Camalaniugan," or, using the term's Spanish translation, *Liceo de Manila*, *Liceo de Masbate*, *Liceo de Albay*, and so on.

Hence, the fulcrum of the analysis for distinctiveness *vis-à-vis* genericism, as provided in Section 151 (b) of R.A. No. 8293 and as illustrated by the above cases, is rightly the significance of the mark to the relevant public. The same holds true whether the word mark is in English or in a non-English language. To emphasize, the determination of distinctiveness or genericism should not just be based any ordinary Filipino, but the ones who can be considered as "the relevant public" in relation to the goods or services offered, or, in marketing terms, the target market. For the *Ang v. Teodoro* case, the mark "ANG TIBAY" was already proven to have been associated by the relevant purchasing public to therein respondent Toribio Teodoro. For the *Lyceum v. CA* case, it was found that the term "LYCEUM" had already become a generic term among schools throughout the country, and the term "LYCEUM" alone did not produce an association to therein petitioner, the Lyceum of the Philippines.

In this case, GSMI states that the target market of its gin products is the Class D and E consumers, consisting of fisherfolks, farmers, loggers, workers, and the like. It is not difficult to imagine why gin products are popular among this market segment. It allows these workers to unwind after a long day of labor or warm the bodies of fisherfolks as they set out for the seas in the chilly hours of early morning. Given this, it is bewildering as to how the CA in G.R. No. 196372 would conclude that such relevant public of gin drinkers

would, applying the test offered by the *Palm Bay* case, stop and translate the term "GINEBRA" to its English term "gin." In the same vein, TDI cannot sincerely claim to believe that gin-drinkers in the Class D and E market segment would refer to *ginebra* in the generic sense in their purchase of gin products, after GSMI's prominent use of the term for more than 180 years. It can be observed that GSMI's gin products had already become so engrained in its target market's lifestyle, even earning the moniker *gin bilog* for its iconic bottle shape.

Further, the "*Barangay Ginebra San Miguel*" team in the Philippine Basketball Association (PBA) **22** is well known as referring to the product and the overall appearance of the bottle and contents of the *gin* product marketed and sold by GSMI. It is one of the sister teams of the two other PBA teams known as belonging under one conglomerate. Moreover, the slogan "Never Say Die" **23** has been associated with the PBA team and is widely understood by the public to be associated with the products of GSMI.

It is likewise notable that neither the Merriam-Webster Dictionary nor the Oxford English Dictionary recognize the term "GINEBRA" as part of the English language. Even more interesting is that none of the known brands of gin from Spain — such as Gin Eva, Gin Mare, Palma Gin, Santamania Gin, Wint & Lila Gin, or Xoriguer Mahon Gin **24** refer to themselves as "GINEBRA." Likewise, in the local marketplace, gin products are not generally referred to as "GINEBRA" aside from Ginebra Agila, Ginebra Grande, Ginebra Heneral, Ginebra Pinoy and Ginebra Primera, which GSMI precisely claims to be imitations of GSMI's "GINEBRA" mark.

The primary significance test — which is already codified in R.A. No. 8923 — still proves to be the most reliable and objective test for a trademark's distinctiveness. To be sure, it is certainly clearer than the "stop and translate in English" test that the doctrine of foreign equivalents advocates for. To be sure, English translations of foreign word marks may still be considered in the analysis of genericism if the use of such foreign word has become so prevalent through time, as in the *Lyceum* case where "LYCEUM" was proved to have already been incorporated in the English language. These exceptional cases aside, the existing rules for genericism under Section 151.1 (b) of R.A. No. 8293 should already provide adequate bases for the adjudication of trademark disputes such as this case.

Accordingly, I vote to **GRANT** the petition in G.R. No. 196372 and **DENY** the petitions in G.R. Nos. 210224, 216104 and 219632.

Footnotes

- * No part due to prior participation in the proceedings before the Court of Appeals.
- ** On official leave.
- 1. *Rollo* (G.R. No. 196372), pp. 12-105; *Rollo* (G.R. No. 210224), pp. 3-48; *Rollo* (G.R. No. 216104), pp. 8-46; *Rollo* (G.R. No. 219632), pp. 8-62.
- 2. Formerly La Tondeña Distilleries, Inc. In March 2003, the company was renamed Ginebra San Miguel, Inc. See *rollo* (G.R. No. 196372), p. 864.
- 3. Also docketed as Application No. 4-2003-001682 in some parts of the *rollo*, (*Rollo*, pp. 23 and 870).
- 4. *Rollo* (G.R. No. 196372), p. 80.
- 5. World Intellectual Property Organization Global Brand Database <https://branddb.wipo.int/branddb/ph/en/showData.jsp?ID=PHTM.42003001682> [last accessed: May 18, 2022].

6. *Rollo* (G.R. No. 196372), p. 863.
7. *Id.* at 864-869.
8. *Id.* at 864.
9. *Id.* at 867.
10. *Id.* at 868.
11. *Id.* at 869.
12. *Id.* at 870.
13. *Id.* at 872.
14. *Id.* at 871-875; penned by Dir. General Adrian S. Cristobal, Jr.
15. *Id.* at 874.
16. *Id.* at 873-875.
17. *Id.* at 115-120; penned by Associate Justice Estela M. Perlas-Bernabe (now a retired Member of the Court) with Associate Justices Bienvenido B. Reyes (now a retired Member of the Court) and Elihu A. Ybañez, concurring.
18. *Id.* at 117.
19. *Id.* at 117-118.
20. *Id.* at 118.
21. The CA cited the World Intellectual Property Organization (WIPO) definition of doctrine of foreign equivalents as a rule that requires the translation of foreign words used in trademarks into their common English meaning in usage for purposes of determining whether they are generic or descriptive, or confusingly similar to an English mark (*Rollo* [G.R. No. 196372], p. 118).
22. *Rollo* (G.R. No. 196372), p. 119.
23. *Id.* at 119.
24. *Id.* at 122.
25. *Id.* at 729-730.
26. *Id.* at 732-757.
27. *Id.* at 759-773.
28. *Id.* at 775-776.
29. *Id.* at 777-798.
30. *Id.* at 881-882.
31. *Rollo* (G.R. No. 214104), pp. 1774-1789.
32. *Id.* at 1778-1782.
33. *Id.* at 1782.
34. *Id.* at 1786.
35. *Rollo* (G.R. No. 210224), p. 82.
36. *Id.* at 84.

37. *Id.* at 90.
38. The case is entitled *Tanduay Distillers, Inc. v. Ginebra San Miguel, Inc.*, 612 Phil. 1020 (2009).
39. *Id.* at 1041, 1043.
40. *Rollo* (G.R. No. 210224), pp. 80-117; penned by Presiding Judge Ofelia L. Calo.
41. *Id.* at 107-108.
42. *Id.* at 108-109.
43. *Id.* at 116.
44. *Id.* at 116-117.
45. *Id.* at 117.
46. *Id.*
47. *Id.* at 118-121.
48. *Rollo* (G.R. No. 219632), p. 88.
49. *Id.*
50. *Id.*
51. *Rollo* (G.R. No. 210224), pp. 143-148.
52. *Id.* at 151-171; penned by Associate Justice Isaias P. Dicdican with Associate Justices Nina G. Antonio-Valenzuela and Victoria Isabel A. Paredes, concurring.
53. *Id.* at 162.
54. *Id.*
55. *Id.* at 163.
56. *Id.*
57. *Id.* at 166.
58. *Id.* at 166-167.
59. *Id.* at 167-168.
60. *Id.* at 169-170.
61. *Rollo* (G.R. No. 219632), pp. 90-91.
62. To recall, CA-G.R. CV No. 100332 is an ordinary appeal and not a petition for review that is sanctioned by the Intellectual Property Code.
63. *Rollo* (G.R. No. 219632), p. 92.
64. *Id.* at 72-118; penned by Associate Justice Rodil V. Zalameda (now a Member of the Court) with Associate Justices Romeo Barza and Maria Elisa Sempio Diy, concurring.
65. *Id.* at 99-100.
66. *Id.* at 100-101.
67. *Id.* at 101.

68. *Id.* at 102.
69. *Id.* at 103.
70. *Id.* at 104.
71. *Id.* at 111.
72. *Id.* at 113.
73. *Id.*
74. *Id.* at 114.
75. *Id.* at 116-118.
76. *Rollo* (G.R. No. 216104), p. 57.
77. World Intellectual Property Organization (WIPO) Global Brand Database, <https://branddb.wipo.int/branddb/ph/en/showData.jsp?ID=PHTM.42006008715> [last accessed May 25, 2022].
78. *Rollo* (G.R. No. 216104), pp. 57-58.
79. *Id.* at 59.
80. *Id.* at 242-252; penned by the Director of Bureau of Legal Affairs, Atty. Estrellita Beltran-Abelardo.
81. *Id.* at 248-250.
82. *Id.* at 251.
83. *Id.* at 255-257.
84. *Id.* at 311-318; penned by Director General Ricardo R. Blancaflor.
85. *Id.* at 316.
86. *Id.* at 317.
87. *Id.* at 55-69; penned by Associate Justice Isaias P. Dicdican, with Associate Justices Michael P. Elbinias and Victoria Isabela A. Paredes, concurring.
88. *Id.* at 64-66.
89. *Id.* at 66.
90. *Id.* at 67.
91. *Id.* at 68.
92. *Id.* at 68-69.
93. *Id.* at 72-73.
94. *Id.* at 1054-1061.
95. *Id.* at 1064-1083.
96. *Id.* at 1055-1058.
97. *Id.* at 1088-1089.
98. *Rollo* (G.R. No. 216104), pp. 2464-2468.
99. *Id.* at 2470-2473.

100. *Id.* at 2465-2466.
101. *Rollo* (G.R. No. 196372), p. 84.
102. *Id.* at 85-86.
103. *Id.* at 87.
104. *Id.*
105. *Id.* at 88.
106. *Id.*
107. *Id.* at 94.
108. *Id.* at 98.
109. *Id.* at 104.
110. *Rollo* (G.R. No. 210224), pp. 10-13.
111. *Id.* at 14-16.
112. *Id.* at 16.
113. *Id.* at 20.
114. *Id.* at 24.
115. *Id.* at 26.
116. *Id.* at 27.
117. *Id.* at 29-30, 35-36.
118. *Id.* at 30-43.
119. *Id.* at 44-47.
120. *Rollo* (G.R. No. 219632), p. 21.
121. *Id.* at 23.
122. A.M. No. 10-3-10-SC, October 18, 2011.
123. This provision has been retained in 2020 Revised Rules of Procedure for Intellectual Property Rights Cases, A.M. No. 10-3-10-SC, October 6, 2020.
124. *Republic of the Phils. v. Heirs of Evaristo Tiotioen*, 589 Phil. 145, 155 (2008).
125. *Societe Des Produits, Nestle, S.A. v. Puregold Price Club*, 817 Phil. 1030, 1044 (2017).
126. *Dy v. Court of Appeals*, 807 Phil. 819, 828 (2017).
127. G.R. No. 211850, September 8, 2020.
128. R.A. No. 8293, approved June 6, 1997.

SECTION 121. Definitions. — As used in Part III, the following terms have the following meanings:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods[.]

129. *Id.* SEC. 123. Registrability. — 123.1. A mark cannot be registered if it: x x x
130. 537 F.2d 4 (2nd Cir. 1976).
131. G.R. No. 228165, February 9, 2021.
132. 1 Gilson on Trademarks §2.04 (2020).
133. *Id.*
134. *Id.*
135. *Id.*
136. *GSIS Family Bank — Thrift Bank v. BPI Family Bank*, 770 Phil. 158, 173 (2015).
137. 119 Phil. 829, 832 (1964).
138. 1 Gilson on Trademarks §2.04 (2020).
139. *Supra* note 136.
140. *Id.* at 174-175.
141. 4 Computer Contracts II (2020).
142. 296 Phil. 298, 314 (1993).
143. See *Lyceum of the Philippines, Inc. v. Court of Appeals*, 292 Phil. 609, 618 (1993), citing *Philippine Nut Industry, Inc. v. Standard Brands, Inc.*, 160 Phil. 581, 592-593 (1975).
144. Trademark Manual and Examination Procedures of the United States Patent and Trademark Office (USPTO), October 2017 edition, Chapter 1200, §1209.01 (c).
145. *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 131.
146. *Id.*
147. See Sec. 121.1., R.A. No. 8293.
148. *Societe des Produits Nestle, S.A. v. Court of Appeals*, 408 Phil. 307, 325 (2001).
149. Sec. 123, R.A. No. 8293.
150. (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.
151. See *Coffee Partners, Inc. v. San Francisco Coffee & Roastery, Inc.*, 628 Phil. 13, 24 (2010).

152. *Patent and Trademark Office v. Booking.com B.V.*, 140 S. Ct. 2298, 207 L. Ed. 2d 738 (2020).
153. See *Bayer v. United Drug*, 272 F. 505 (S.D.N.Y. 1921). *Cf.* Sec. 151 (b) of R.A. No. 8293.
154. *Id.*
155. *Id.*
156. Levy, Marc C., *From Genericism to Trademark Significance: Deconstructing the De Facto Secondary Meaning Doctrine*, Volume 95, No. 6, *The Trademark Reporter* (November-December 2005).
157. *Id.*
158. See *Genessee Brewing Co., Inc. v. Stroh Brewing Co.*, 124 F.3d 137, 144 (2d Cir. 1997).
159. 15 U.S.C. §1064 (3).
160. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938).
161. *Royal Crown Co. v. Coca-Cola Co.*, 892 F.3d 1358, 1367 (Fed. Cir. 2018).
162. See *Glover v. Ampak, Incorporated*, 74 F.3d 57 (4th Cir. 1996).
163. *Id.*
164. *Princeton Vanguard, LLC v. Frito-Lay North America, Inc.*, 786 F.3d 960 (2015).
165. *Berner Intern. Corp. v. Mars Sales Co.*, 987 F.2d 975 (3d Cir. 1993); *cf. Filipino Yellow Pages, Inc. v. Asian Journal Publ'ns, Inc.*, 198 F.3d 1143, 1148 (9th Cir. 1999).
166. Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 *Notre Dame L. Rev.* 1839 (2013).
167. *Id.* However, it has also been said that trademark law serves to protect manufacturers' brands against potential misappropriation by other entities. (See Hoopes, Neal, *Reclaiming the Primary Significance Test: Dictionaries, Corpus Linguistics, and Trademark Genericide*, [2016]. [Available at: <https://ssrn.com/abstract=3025850> or <http://dx.doi.org/10.2139/ssrn.3025850>, last accessed on November 30, 2020]).
168. Sec. 151.1, R.A. No. 8293.
169. *Id.*
170. 163 U.S. 169, 16 S. Ct. 1002 (1896).
171. 109 F. Supp. 623 (S.D. Cal. 1952).
172. *Patent and Trademark Office v. Booking.com B. V.*, 140 S. Ct. 2298, (2020).
173. *Id.*
174. *Id.* at 2304.
175. 1 *Gilson on Trademarks* §2.02 (2020).
176. 272 F. 505 (1921).
177. Concurring and Dissenting Opinion of Justice Caguioa, pp. 25-26.

178. Trademark Manual and Examination Procedures of the United States Patent and Trademark Office (USPTO), *supra* note 144, §1209.03 (g), citing *In re N. Paper Mills*, 64 F.2d 998, 1002, 17 USPQ 492, 493 (C.C.P.A. 1933).
179. The Foreign Equivalents Doctrine . . . In English?, 28 Tex. Intell. Prop. L.J. 129, 134.
180. 1 Gilson on Trademarks §2.02 (2020).
181. 6 Gilson on Trademarks Examination Guide 1-08 (2020).
182. 1 Gilson on Trademarks §2.02 (2020).
183. 64 F.2d 998, (C.C.P.A. 1933).
184. 290 F.2d 845, (C.C.P.A. 1961), 129 U.S.P.Q. (BNA) 411.
185. 987 F. Supp. 783, (N.D. Cal. 1997).
186. *Supra* note 143 at 617-620.
187. 832 Phil. 495, 507 (2018).
188. 8 Trademark Manual of Examining Procedure 1207 (2019).
189. See Hoopes, Neal, *Reclaiming the Primary Significance Test: Dictionaries, Corpus Linguistics, and Trademark Genericide* (2016). (Available at: <https://ssrn.com/abstract=3025850> or <http://dx.doi.org/10.2139/ssrn.3025850>, last accessed on November 30, 2020).
190. *Id. cf. Filipino Yellow Pages, Inc. v. Asian Journal Publ'ns, Inc.*, 198 F.3d 1143, 1148 (9th Cir. 1999).
191. 396 F.3d 1369 (Fed. Cir. 2005).
192. 563 F.3d 1347 (Fed. Cir. 2009).
193. 8 Trademark Manual of Examining Procedure 1207 (2019).
194. 6 Gilson on Trademarks Examination Guide 1-08 (2020).
195. *Id.*
196. 494 F.2d 1395, (C.C.P.A. 1974).
197. 6 Gilson on Trademarks Examination Guide 1-08 (2020).
198. 190 USPQ 109, 110 (TTAB 1976).
199. Sec. 151.1 (b) of R.A. No. 8293.
200. See 8 Trademark Manual of Examining Procedure 1207 (2019).
201. *Central Bank of the Philippines v. Castro*, 514 Phil. 425, 436 (2005).
202. *Cathay Pacific Steel Corp. v. Uy, Jr.*, G.R. No. 219317, June 28, 2021.
203. RULES OF COURT, Rule 128, Sec. 3 states:

Section 3. *Admissibility of evidence*. — Evidence is admissible when it is relevant to the issue and is not excluded by the law or these rules. (3a)
204. *Disini v. Republic of the Philippines*, G.R. No. 205172, June 15, 2021.
205. *W Land Holding, Inc. v. Starwood Hotels and Resorts Worldwide, Inc.*, 822 Phil. 23, 46-47 (2017).

206. 3 Gilson on Trademarks §8.03 (2020).
207. *Supra* note 172.
208. *Id.*
209. *Exxon Corp. v. Texas Motor Exch. of Houston, Inc.*, 628 F.2d 500, 506 (5th Cir. 1980).
210. 3 Gilson on Trademarks §8.03 (2020).
211. See *Du Pont Cellophane Co. v. Waxed Prods. Co.*, 6 F. Supp. 859, 885 (E.D.N.Y. 1934), modified, 85 F.2d 75 (2 Cir.), cert. denied, *E. I. De Pont De Nemours & Co. v. Waxed Products Co.*, 299 U.S. 601, 57 S. Ct. 194, 81 L. Ed. 443 (1936); *Elgin Nat'l Watch Co. v. Elgin Clock Co.*, 26 F.2d 376 (D.Del.1928).
212. 216 F. Supp. 670 (1963).
213. *Id.* at 682-683.
214. *Zippo Manufacturing Company v. Rogers Imports, Inc.*, 216 F. Supp. 670 (1963).
215. Manual for Complex Litigation, §11.493, p. 102 (Federal Judicial Center 4th ed. 2004).
216. Rule 803 of the Federal Rules of Evidence, as amended.
217. Manual for Complex Litigation, §11.493, p. 103 (Federal Judicial Center 4th ed. 2004).
218. *Id.* at 104.
219. *Rollo* (G.R. No. 219632), p. 102.
220. *Arriola v. People*, G.R. No. 199975, February 24, 2020.
221. *Rollo* (G.R. No. 219632), p. 103.
222. A.M. No. 10-3-10-SC, October 6, 2020.
223. *Id.*, Rule 18, Sec. 9.
224. Manual for Complex Litigation, §11.493, p. 103 (Federal Judicial Center 4th ed. 2004).
225. The Federal Judicial Center is the research and education agency of the judicial branch of the U.S. government. See Federal Judicial Center <https://www.fjc.gov/> [last accessed: May 26, 2022].
226. See McCarthy, Trademarks and Unfair Competition §32:53 (1973), 4 Louisell and Mueller, Federal Evidence §472 at 957 (1979), Manual for Complex Litigation, 116 (5th Ed. 1981), and 3 Gilson on Trademarks §8.03 (2020), citing Manual for Complex Litigation, Fourth (2004) §11.493.
227. In other cases, they add an eight factor that "the sample and the interviews were conducted independently of the attorneys in the case." See *G. Heileman Brewing Co. v. Anheuser-Busch, Inc.*, 873 F.2d 985 (7th Cir. 1989).
228. *Toys R US, Inc. v. Canarsie Kiddie Shop, Inc.*, 559 F. Supp. 1189 (E.D.N.Y. 1983), *Nestle Co., Inc. v. Chester's Market, Inc.*, 571 F. Supp. 763 (D. Conn. 1983), *Consumers Union of US, Inc. v. New Regina Corp.*, 664 F. Supp. 753 (S.D.N.Y. 1987), *Weight Watchers Intern, Inc. v. Stouffer Corp.*, 744 F. Supp. 1259 (S.D.N.Y. 1990), *Gillette Co. v. Norelco Consumer Products Co.*, 69 F. Supp. 2d

246 (D. Mass. 1999), *National Distillers Products v. Refreshment Brands*, 198 F. Supp. 2d 474 (S.D.N.Y. 2002).

229. 3 Gilson on Trademarks §8.03 (2020), citing Manual for Complex Litigation, Fourth (2004) §11.493.

230. *Weight Watchers Intern., Inc. v. Stouffer Corp.*, 744 F. Supp. 1259 (S.D.N.Y. 1990).

231. See *Weight Watchers Intern., Inc. v. Stouffer Corp.*, 744 F. Supp. 1259, 1276 (S.D.N.Y. 1990).

232. 1212.06 (d) Survey Evidence, Market Research and Consumer Reaction Studies, Trademark Manual of Examining Procedure.

233. *Id.* See *Am. Flange & Mfg. Co. v. Rieke Corp.*, 80 USPQ2d 1397, 1415 (TTAB 2006).

234. *Id.*

235. *Rollo* (G.R. No. 196372), p. 501.

236. *Id.* at 523.

237. *Id.* at 503.

238. *Id.* at 513.

239. *Id.* at 539.

240. *Id.* at 503.

241. *Id.* at 502.

242. *Id.* at 503.

243. *Id.* at 396.

244. *Id.*

245. *Id.* at 508.

246. *Id.* at 511.

247. *Id.* at 512.

248. *Id.* at 397.

249. *Id.* at 398.

250. *Id.* at 502.

251. *Id.* at 393 and 395.

252. *Id.* at 504.

253. *Id.* at 398.

254. *Id.* at 505.

255. *Id.* at 508.

256. *Id.* at 509.

257. *Id.* at 508.

258. *Id.* at 507.

259. *Id.* at 511.

- 260. *Id.*
- 261. *Id.* at 510.
- 262. *Id.* at 512.
- 263. *Id.*
- 264. *Id.*
- 265. *Id.* at 398.
- 266. *Id.*
- 267. *Id.*
- 268. *Id.* at 394.
- 269. *Id.* at 523, 537.
- 270. *Id.* at 523.
- 271. *Id.* at 526.
- 272. *Id.*
- 273. *Id.* at 524.
- 274. *Id.* at 525.
- 275. *Id.*
- 276. *Id.* at 528.
- 277. *Id.* at 529.
- 278. *Id.* at 528.
- 279. *Id.*
- 280. *Id.* at 530.
- 281. *Id.*
- 282. *Id.*
- 283. *Id.* at 533.
- 284. *Id.* at 535.
- 285. *Id.*
- 286. *Id.* at 526.
- 287. *Id.* at 398.
- 288. *Id.* at 507.
- 289. *Id.* at 535.
- 290. *Id.*
- 291. *Id.* at 392-401.
- 292. 1st par., 1212.06 (b). Advertising Expenditures, Trademark Manual of Examining Procedure.

293. 2nd par., 1212.06 (b). Advertising Expenditures, Trademark Manual of Examining Procedure.
294. 3rd par., 1212.06 (b). Advertising Expenditures, Trademark Manual of Examining Procedure.
295. *Rollo* (G.R. No. 219632), pp. 289-298.
296. *Rollo* (G.R. No. 196372), pp. 24-26.
297. *Id.* at 26-27.
298. *Rollo* (G.R. No. 210224), p. 162.
299. See Hoopes, Neal, *Reclaiming the Primary Significance Test: Dictionaries, Corpus Linguistics, and Trademark Genericide* (2016). (Available at: <https://ssrn.com/abstract=3025850> or <http://dx.doi.org/10.2139/ssrn.3025850>, last accessed on November 30, 2020).
300. *Booking.Com B.V. v. U.S. Patent & Trademark Office*, 915 F.3d 171 (4th Cir. 2019).
301. *Berner Intern. Corp. v. Mars Sales Co.*, 987 F.2d 975 (3d Cir. 1993), citing Gilson, §2.02 at 2-35.
302. *Booking.com. B.V. v. Matal*, 278 F. Supp. 3d 891 (E.D. Va. 2017), citing *Berner Intern. Corp. v. Mars Sales Co.*, 987 F.2d 975 (3d Cir. 1993).
303. See 8 Trademark Manual of Examining Procedure 1207 (2019).
304. *Rollo* (G.R. No. 219632), p. 98. (CA Decision dated November 7, 2014 in CA-G.R. CV No. 100332).
305. *Id.*
306. Concurring and Dissenting Opinion of Justice Caguioa, p. 20.
307. See *Lyceum of the Philippines v. Court of Appeals*, citing *Philippine Nut Industry, Inc. v. Standard Brands, Inc.*, *supra* note 143 at 618.
308. *Supra* note 143.
309. *Id.* at 592-594.
310. *Supra* note 143.
311. *Id.* at 619.
312. 739 Phil. 244 (2014).
313. *Id.* at 258.
314. *Rollo* (G.R. No. 196372), p. 117 (CA Decision dated August 13, 2010 in CA-G.R. SP No. 112005).
315. Official Journal of the European Union. Definitions of Categories of Alcoholic Beverages 110/2008, M (b), 2008, pp. 38-39. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2008:039:FULL&from=EN> [last accessed November 30, 2020].
316. *Id.* at 39-51.
317. 7205 F. 111, 1913 U.S. Dist. LEXIS 1533.
318. *Id.*

319. 1212.06 (d) Survey Evidence, Market Research and Consumer Reaction Studies, Trademark Manual of Examining Procedure.
320. *Id.*; *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 42, 49 (1st Cir. 1998).
321. *Id.*; See *Nextel Commc'ns, Inc. v. Motorola, Inc.*, 91 USPQ2d 1393, 1402-03 (TTAB 2009).
322. *Id.*; See *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 125 (4th Cir. 1990).
323. *Id.*; citing *In re Owens-Corning Fiberglas Corp.*, 774 F.2d at 1127-28.
324. *Id.*; See *Stuart Spector Designs Ltd. v. Fender Musical Instruments Corp.*, 94 USPQ2d 1549, 1569-71 (TTAB 2009).
325. *Rollo* (G.R. No. 196372), p. 508.
326. *Id.* at 535.
327. *Rollo* (G.R. No. 219632), pp. 100-101.
328. *Id.* at 83.
329. *Id.* at 100.
330. *Rollo* (G.R. No. 216104), pp. 2444-2463.
331. *Id.* at 2469-2473.
332. *Id.* at 2456.
333. *Id.* at 2459.
334. See *Bayer v. United Drug*, 272 F. 505 (S.D.N.Y. 1921). *Cf.* Sec. 151 (b) of R.A. No. 8293.
335. The primary significance test under Sec. 151.1 (b) of R.A. No. 8293 states that 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.
336. Sec. 151.1 (b) of R.A. No. 8293.
337. *Rollo* (G.R. No. 216104), pp. 1774-1789.
338. *Id.* at 1778-1782.
339. *Id.* at 75-80.
340. Intellectual Property Code of the Philippines, R.A. No. 8293, June 6, 1997, Sec. 155 (155.1-155.2).
341. 641 Phil. 345, 357-358 (2010).
342. 632 Phil. 546, 569 (2010).
343. 811 Phil. 261, 272 (2017).
344. 833 Phil. 791 (2018).
345. *Id.* at 802-803.
346. 480 Phil. 402 (2004).
347. *Id.* at 435.

348. *Supra* note 131.
349. *Id.*
350. *ABS-CBN Publishing, Inc. v. Director of the Bureau of Trademarks*, *supra* note 344 at 804.
351. *Rollo* (G.R. No. 219632), p. 110. (CA Decision dated November 7, 2014 in CA-G.R. CV No. 100332).
352. *Id.* at 111.
353. G.R. No. 205835, June 23, 2020, citing J. Leonen, Concurring Opinion in *Asia Pacific Resources International Holdings, Ltd. v. Paperone, Inc.*, 845 Phil. 85 (2018).
354. *Id.*
355. *Id.*
356. *Id.*
357. *Rollo* (G.R. No. 210224), p. 681.
358. *Id.* at 1090.
359. *Rollo* (G.R. No. 219632), p. 112. (CA Decision dated November 7, 2004 in CA-G.R. CV No. 100332).
360. *Quality Inns International, Inc. v. McDonald's Corp.*, 695 F. Supp. 198 (D. Md. 1988).
361. David Franklyn and Shari Seidman Diamond, *Trademark Surveys: An Undulating Path*, 92 *Tex. L. Rev.* 2029 (2014).
362. *Id.* at 2037, citing Shari Seidman Diamond, *Reference Guide on Survey Research*, in *REFERENCE MANUAL ON SCIENTIFIC EVIDENCE* 359, 364 (3d ed. 2011).
363. G.R. No. 219744, March 1, 2021.
364. *Id.*
365. *Rollo* (G.R. No. 196372), p. 508.
366. *Id.* at 512.
367. *Id.* at 535.
368. *Id.* at 508.
369. *Id.* at 535.
370. *Id.* at 530.
371. *Id.*
372. *Supra* note 363.
373. Concurring and Dissenting Opinion of Justice M. Lopez, p. 9.
374. *Societe Des Produits Nestle, S.A. v. Dy, Jr.*, *supra* note 343 at 358.
375. *Rollo* (G.R. No. 216104), p. 317.
376. *Rollo* (G.R. No. 196372), pp. 501 and 523.
377. *Rollo* (G.R. No. 219632), p. 113 (CA Decision dated November 7, 2014 in CA-G.R. No. 100332).

378. *National Federation of Hog Farmers, Inc. v. Board of Investments*, *supra* note 353.
379. *Id.*
380. *Asia Pacific Resources International Holdings, Ltd. v. Paperone, Inc.*, 845 Phil. 85, 94 (2018).
381. *Id.* at 101.
382. *National Federation of Hog Farmers, Inc. v. Board of Investments*, *supra* note 353.
383. *American Wire & Cable Co. v. Director of Patents*, 142 Phil. 523, 530-531 (1970).
384. *Rollo* (G.R. No. 219632), p. 193.
385. *Id.* at 423-424.
386. *Rollo* (G.R. No. 210224), pp. 70-71 (CA Decision dated August 15, 2013 in CA-G.R. SP No. 127255).
387. Concurring and Dissenting Opinion of Justice Caguioa, p. 19.
388. Sec. 156, R.A. No. 8293.
389. *Rollo* (G.R. No. 210224), p. 73 (CA Decision dated August 15, 2013 in CA-G.R. SP No. 127255).
390. 833 Phil. 771 (2018).
391. 428 Phil. 425 (2002).
392. *Id.* at 436-437.
393. 742 Phil. 803 (2014).
394. *Id.* at 808-809.
395. CIVIL CODE, Art. 2224.
396. *Barbosa v. People*, 814 Phil. 16, 23 (2017).
397. See note 386.
398. *San Miguel Pure Foods Co., Inc. v. Foodsphere, Inc.*, 833 Phil. 771, 786 (2018).
399. *Id.*
400. *Id.* at 786-787.
401. *Prosource International, Inc. v. Horphag Research Management SA*, 620 Phil. 539, 553 (2009).
402. Sec. 157.1, R.A. No. 8293.

LEONEN, J., dissenting:

1. "Philippines protest 'Filipinos' as cookie brands," Kyodo News/Asian Economic News, August 27, 1999, available at <https://www.thefreelibrary.com/Philippines+protests+%27Filipinos%27+as+cookie+brand.-a055759591> (last accessed on August 9, 2022).
2. Intellectual Property Code, subsection 121.1, which states:
Sec. 121. *Definitions.* — As used in Part III, the following terms have the following meanings:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods[.]

3. *Gabriel v. Perez*, 154 Phil. 371 (1974) [Per J. Makasiar, First Division], *Etepha, A.G. v. Director of Patents*, 123 Phil. 329 (1966) [Per J. Sanchez, En Banc].
4. 376 Phil. 628 (1999) [Per J. Puno, First Division].
5. *Id.* at 645-649.
6. Intellectual Property Code, subsection 121.1.
7. Intellectual Property Code, subsection 123.1.
8. Intellectual Property Code, subsection 123.1 (h).
9. 408 Phil. 307 (2001) [Per J. Ynares-Santiago, First Division].
10. *Id.* at 325.
11. *Ang v. Teodoro*, 74 Phil. 50 (1942) [Per J. Ozaeta, First Division].
12. Intellectual Property Code, subsection 123.2.
13. 74 Phil. 50 (1942) [Per J. Ozaeta, First Division].
14. *Id.* at 52-53.
15. *Masso Hermanos, S.A. v. Director of Patents*, 94 Phil. 136 (1953) [Per J. Jugo, En Banc]; *Ong Ai Gui v. Director of Patents*, 96 Phil. 673 (1955) [Per J. Labrador, En Banc]; *The East Pacific Merchandising Corp. v. Director of Patents*, 110 Phil. 443 (1960) [Per J. J.B.L. Reyes, Second Division]; *Coffee Partners, Inc. v. San Francisco Coffee & Roastery, Inc.*, 628 Phil. 13 (2010) [Per J. Carpio, Second Division].
16. *Philippine Refining Co., Inc. v. Ng Sam*, 201 Phil. 61 (1982) [Per J. Escolin, Second Division].
17. ASSOCIATION OF SOUTHEAST ASIAN NATIONS, COMMON GUIDELINES FOR THE SUBSTANTIVE EXAMINATION OF TRADEMARKS 79 (Second ed., 2020).
18. 5 Phil. 160 (1905) [Per J. Mapa, En Banc].
19. *Id.* at 164-165.
20. 56 Phil. 106 (1931) [Per J. Malcolm, En Banc].
21. *Id.* at 108.
22. G.R. Nos. 211820-21, June 6, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64270>> [Per J. Bersamin, Third Division].
23. 296 Phil. 298 (1993) [Per J. Griño-Aquino, En Banc].
24. G.R. Nos. 211820-21, June 6, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64270>> [Per J. Bersamin, Third Division].
25. 296 Phil. 298 (1993) [Per J. Griño-Aquino, En Banc].
26. *Id.* at 314-315.
27. 201 Phil. 61 (1982) [Per J. Escolin, Second Division].

28. *Heirs of Cristina Y. Gabriel-Almoradie v. Court of Appeals*, 299 Phil. 14 (1994) [Per J. Nocon, Second Division].

29. 478 Phil. 615 (2004) [Per J. Corona, Third Division].

30. Paris Convention, art. 6*quinquies* (B) (2).

31. See fn. 43 in the ASEAN Common Guidelines for the Substantive Examination of Trademarks (Second Edition), p. 79.

32. Regulation (EU) 2017/1001, art. 7 provides:

Article 7

Absolute grounds for refusal

1. The following shall not be registered:

xxx xxx xxx

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services;

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade[.]

33. Brunei Trade Marks Act (2000), Sec. 6 provides:

Absolute grounds for refusal of registration.

6. (1) The following shall not be registered —

xxx xxx xxx

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or of rendering of services, or other characteristics of goods or services;

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that a trade mark shall not be refused registration by virtue of paragraphs (b), (c) or (d) if, before the date of application, it has in fact acquired a distinctive character as a result of the use made of it.

34. Myanmar Pyidaungsu Hluttaw Law No. 3/2019 (Trademark Law), Sec. 13 provides:

13. Any of the following characteristics of a mark constitutes absolute grounds for refusal and the aforementioned mark is not eligible for registration:

xxx xxx xxx

(b) containing only marks or indications of a good's or service's type, related information, quality, quantity, intended use, value, origin, time of manufacture, or other characteristics;

Exceptions — If one of the following circumstances applies to the provisions in subsections (a) and (b), there are no grounds for refusal of the registration of the mark in question.

(1) If the mark's distinctiveness is known among consumers due to its use before the date of application for mark registration;

(2) If the applicant, in good faith, is exclusively using the mark continuously within the commercial area of Myanmar.

The English provisional translation from the Burmese original is provided by the JICA Judicial and Legal Project, available at <<https://www.myanmar-law-library.org/law-library/laws-and-regulations/laws/myanmar-laws-1988-until-now/national-league-for-democracy-2016/myanmar-laws-2019/pyidaungsu-hluttaw-law-no-3-2019-trademark-law-burmese.html>> (last accessed August 9, 2022).

35. Singapore Trade Marks Act 1998, Sec. 7 provides:

Absolute grounds for refusal of registration

7. — (1) The following must not be registered:

xxx xxx xxx

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services; and

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade.

(2) A trade mark must not be refused registration by virtue of subsection (1) (b), (c) or (d) if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

36. Regulation (EU) 2017/1001, article 7 provides:

3. Paragraph 1 (b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested as a consequence of the use which has been made of it.

37. *Mighty Corp. v. E. & J. Gallo Winery*, 478 Phil. 615 (2004) [Per J. Corona, Third Division].

38. *Chung Te v. Ng Kian Giab*, 124 Phil. 1375 (1966) [Per J. Makasiar, En Banc].

39. *Ecole de Cuisine Manille (Cordon Bleu of the Philippines), Inc. v. Renaud Cointreau & Cie*, 710 Phil. 305 (2013) [Per J. Perlas-Bernabe, Second Division].

40. *Kensonic, Inc. v. Uni-Line Multi-Resources, Inc. (Phil.)*, G.R. Nos. 211820-21, June 6, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64270>> [Per J. Bersamin, Third Division].

41. *Romero v. Maiden Form Brassiere Co., Inc.*, 119 Phil. 829 (1964) [Per J. Barrera, En Banc].

42. "Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers of 2017," available at <<https://ipophil.gov.ph/images/2017Uploads/IPOPHL-Memorandum-Circular-No.->

17-010-Rules-and-Regulations-on-Trademarks-Service-Marks-Trade-Names-and-Marked-or-Stamped-Containers-of-2017.pdf> (last accessed August 9, 2022).

43. 123 Phil. 329 (1966) [Per J. Sanchez, En Banc].
44. *Id.* at 333-334.
45. *Intellectual Property Association of the Philippines v. Ochoa*, 790 Phil. 276, 287 (2016) [Per J. Bersamin, En Banc].
46. *Id.* at 302.
47. *Ponencia*, pp. 36 and 38.
48. *Id.* at 36-39.
49. A Spanish-derived creole language with an extensive vocabulary of Spanish loanwords.
50. *Ponencia*, p. 37.
51. *Id.*
52. See *Baxter v. Zuazua*, 5 Phil. 160 (1905) [Per J. Mapa, En Banc]; *Masso Hermanos, S.A. v. Director of Patents*, 94 Phil. 136 (1953) [Per J. Jugo, En Banc]; *Ong Ai Gui v. Director of the Philippines Patent Office*, 96 Phil. 673 (1955) [Per J. Labrador, En Banc]; *The East Pacific Merchandising Corp. v. Director of Patents*, 110 Phil. 443 (1960) [Per J. J.B.L. Reyes, Second Division]; *Coffee Partners, Inc. v. San Francisco Coffee & Roastery, Inc.*, 628 Phil. 13 (2010) [Per J. Carpio, Second Division]; *Asia Brewery v. Court of Appeals*, 296 Phil. 298 (1993) [Per J. Griño-Aquino, En Banc]; *La Yebana Co., Inc. v. Alhambra Cigar & Cigarette Manufacturing Co.*, 56 Phil. 106 (1931) [Per J. Malcolm, En Banc]; *Etepha A.G. v. Director of Patents*, 123 Phil. 329 (1966) [Per J. Sanchez, En Banc]; and *Kensonic, Inc. v. Uni-Line Multi-Resources, Inc.*, G.R. Nos. 211820-21, June 6, 2018, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64270>> [Per J. Bersamin, Third Division].
53. Subject of Trademark Application No. 4-2003-0001682.
54. *Ponencia*, p. 5. Court of Appeals Decision, pp. 3-4. The Decision penned by Associate Justice Estela M. Perlas-Bernabe (now a retired Member of the Court) with Associate Justices Bienvenido B. Reyes (now a retired Member of the Court) and Elihu A. Ybañez, concurring.
55. *Id.* at 8.
56. J. Leonen, Dissenting Opinion in *Prosel Pharmaceuticals & Distributors, Inc. v. Tynor Drug House, Inc.*, G.R. No. 248021, September 30, 2020, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/66883>> [Per J. Carandang, Third Division].
57. Intellectual Property Code, Sec. 147.1 provides:

Sec. 147. Rights Conferred. — 147.1. Except in cases of importation of drugs and medicines allowed under Section 72.1 of this Act and of off-patent drugs and medicines, the owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

58. *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, G.R. No. 228165, February 9, 2021, <<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/67171>> [Per J. Caguioa, En Banc].
59. 628 Phil. 13 (2010) [Per J. Carpio, Second Division].
60. *Id.* at 24-25.
61. *United States Patent and Trademark Office v. Booking.com B.V.*, 591 U.S. (2020) (Slip Opinion).
62. *Id.*
63. *Ponencia*, pp. 29-34.
64. *Id.* at 32. The *ponencia* provides:

Notably, the primary significance test, which is used to measure public perception in the United States to determine whether a term is generic or not, is also reflected in our jurisdiction under Sec. 151.1 (b) of R.A. No. 8239. The provision reads:

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:

(a) x x x

(b) At any time, if the registered mark becomes the generic name for the goods or services, of 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.

(c) x x x

Under Sec. 151.1 (b) of R.A. No. 8239, a registered trademark is made susceptible to cancellation if it subsequently becomes a generic name for the product or services it represents. In determining whether a registered trademark has become generic, the provision categorically adopted as the test therefor — "the primary significance of the registered mark to the relevant public . . ." This, in franker terms, is an explicit call for the application of public perception under the primary significance test in determining the genericness or distinctiveness of a mark.

65. Rule 8 of the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases, under which Section 8 can be found, covers evidence in trademark infringement and unfair competition cases.
66. 272 F. 505 (S.D.N.Y. 1921). Concerning the mark "Aspirin" over the medicine acetyl salicylic acid. See *ponencia*, p. 34.

67. 163 U.S. 169 (1896) and 132 U.S. 518 (1889). Concerning the mark "Singer" for sewing machines. See *ponencia*, p. 34.
68. 124 F.3d 137 (1997). Concerning the mark "Honey Brown" for beer. See *ponencia*, p. 30.
69. 302 U.S. 111 (1939). Concerning the tradename "Shredded Wheat" for a wheat biscuit. See *ponencia*, p. 30.
70. 892 F.3d 1358 (Fed. Cir. 2018). Concerning the mark "Zero" for zero-calorie drinks. See *ponencia*, p. 30.
71. 74 F.3d 57 (4th Cir. 1996). Concerning the mark "White Tail" for knives. See *ponencia*, p. 31.
72. 786 F.3d 960 (2015). Concerning the mark "Pretzel Crisps" for pretzel crackers. See *ponencia*, p. 31.
73. 987 F.2d 975 (3d Cir. 1993). Concerning the mark "Air Door" for air curtains. See *ponencia*, p. 31.
74. 198 F.3d 1143 (9th Cir. 1999). Concerning the mark "Filipino Yellow Pages" for a telephone directory. See *ponencia*, p. 31.
75. *Id.* at 48-58.
76. Intellectual Property Code, Sec. 145 provides:

Sec. 145. *Duration*. — A certificate of registration shall remain in force for ten (10) years: *Provided*, That the registrant shall file a declaration of actual use and evidence to that effect, or shall show valid reasons based on the existence of obstacles to such use, as prescribed by the Regulations, within one (1) year from the fifth anniversary of the date of the registration of the mark. Otherwise, the mark shall be removed from the Register by the Office.
77. 96 Phil. 673 (1955) [Per J. Labrador, En Banc].
78. *Id.* at 677.
79. *Coffee Partners, Inc. v. San Francisco Coffee & Roastery, Inc.*, 628 Phil. 13 (2010) [Per J. Carpio, Second Division].
80. *Rollo* (G.R. No. 210224), pp. 1128 and 1132. Trademark Registration No. 7484 in Class 33 for the goods "gin."
81. *Id.* at 1135. Trademark Registration No. 53668 in Class 33.
82. *Id.* at 1147. Trademark Registration No. 4-1996-11357 in Class 33 for the goods "gin mix."

CAGUIOA, J., concurring and dissenting:

1. *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.
2. See IP Code, Section 123.1 (e) and (f).
3. International Trademark Association (INTA), *Famous/Well-Known Marks*, available at <<https://www.inta.org/topics/famous-well-known->

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.

26. See Intellectual Property Office of the Philippines, *Philippine Trademark Database*, available at <<https://branddb.wipo.int/branddb/ph/en/#>>.
27. *Id.*
28. *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 16.
29. *Id.*, citing RULES ON IP CASES, Rule 18, Sec. 5.
30. *Id.*
31. *Id.*
32. 805 Phil. 37 (2017).
33. *Id.* at 57.
34. *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 16.
35. *Id.*, citing *Mighty Corporation v. E. & J. Gallo Winery*, 478 Phil. 615 (2004).
36. *Seri Somboonsakdikul v. Orlane S.A.*, *supra* note 32, at 54-55.
37. *Ponencia*, pp. 77-78.
38. *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 16.
39. *Ponencia*, pp. 80-81.
40. *Id.* at 72.
41. See *Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, *supra* note 16.
42. See IP CODE, Sec. 123.1 (g).
43. *Ponencia*, p. 3.
44. *Societe Produits Nestle, S.A. v. Dy, Jr.*, 641 Phil. 345, 357 (2010).
45. *Rollo* (G.R. No. 210224) Vol. III, p. 1389.
46. *Id.* at 1552.
47. *Id.* at 1547.
48. *Id.* at 1555.
49. *Id.* at 396.
50. *Id.* at 1558.
51. 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.

52. *Rollo* (G.R. No. 210224) Vol. III, pp. 1389, 1552, 1547, 1555, and 1558.
53. RULES AND REGULATIONS ON TRADEMARKS, Rule 604.
54. *Id.*
55. *Id.*
56. *Superior Commercial Enterprises, Inc. v. Kunnan Enterprises Ltd., and Sports Concept & Distributor, Inc.*, 632 Phil. 546, 571 (2010).
57. *Id.*
58. *Ponencia*, pp. 77-78.
59. *Id.* at 78.
60. *Id.* at 79.
61. *Id.*
62. See *Del Monte Corporation v. Court of Appeals*, 260 Phil. 435, 440 (1990).
63. *Ponencia*, p. 62.
64. *Id.* at 90.
65. Separate Opinion of Justice Leonen, p. 12.
66. *Id.* at 10.
67. *Id.*
68. *Id.* at 10-11.
69. CONSTITUTION, Art. XIV, Sec. 17.
70. Separate Opinion of Justice Leonen, p. 14.
71. RULES ON IP CASES, Rule 18, Sec. 8.
72. ASEAN Guidelines (Part 1), p. 66. Underscoring supplied.
73. *Id.* Underscoring supplied.
74. Separate Opinion of Justice Leonen, p. 8.
75. Dissent of Associate Justice Amy C. Lazaro-Javier, p. 2.
76. Separate Opinion of Justice Leonen, p. 15.
77. *Id.*
78. *Ponencia*, p. 71.
79. *Ponencia*, pp. 70-71.
80. *Id.*
81. *Id.* at 71.
82. *Id.*
83. *Centeno v. Villalon-Pornillos*, 306 Phil. 219, 228 (1994).
84. 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 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;

xxx xxx xxx

(m) Is contrary to public order or morality.

85. *Id.* at paragraph (a).

86. *Id.* at paragraph (b).

87. *Id.* at paragraph (h).

88. *Ponencia*, p. 29.

89. *Id.*

90. 456 Phil. 474 (2003).
91. 74 Phil. 50 (1942).
92. *Id.*
93. 739 Phil. 244 (2014).
94. *Id.* at 257. Emphasis and underscoring supplied.
95. See *Cadayona v. Court of Appeals*, 381 Phil. 619 (2000).
96. *Ponencia*, p. 72.
97. 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 "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.

98. *Seri Somboonsakdikul v. Orlane S.A.*, *supra* note 33.
99. Concurring and Dissenting Opinion of Associate Justice Mario V. Lopez, p. 16.
100. *Ponencia*, p. 82.
101. *Id.* at 87.
102. *Id.* at 87-88.
103. *Id.* at 88.
104. See *Yamauchi v. Suñiga*, 830 Phil. 122 (2018).
105. *Id.*
106. *Ponencia*, p. 88.

LAZARO-JAVIER, J., dissent:

1. REPUBLIC ACT NO. 8293, AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES, APPROVED ON JUNE 6, 1997.
2. *Id.*
3. *Id.*
4. *Id.*
5. G.R. No. 252578, December 7, 2021.

6. *Id.*
7. *National Transmission Corporation v. Commission on Audit*, G.R. No. 246173, June 22, 2021.
8. *Id.*
9. 800 Phil. 721-768 (2016).
10. *Id.* at 758.
11. G.R. No. 252198, April 27, 2021.
12. G.R. No. 246445, March 2, 2021.
13. *Id.*
14. *Id.*
15. 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:

xxx xxx xxx

(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. (REPUBLIC ACT NO. 8293, AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES, APPROVED ON JUNE 6, 1997).

16. *Id.*
17. 641 Phil. 345 (2010).
18. SECTION 123. Registrability. — 123.1. A mark cannot be registered if it:

xxx xxx xxx

(h) Consists exclusively of signs that are generic for the goods or services that they seek to identify; x x x (REPUBLIC ACT NO. 8293, AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES, APPROVED ON JUNE 6, 1997).

M.V. LOPEZ, J., concurring and dissenting:

1. Section 124. *Requirements of Application.* — 124.1. The application for the registration of the mark shall be in Filipino or in English and shall contain the following:

xxx xxx xxx

(j) A transliteration or translation of the mark or some parts of the mark, as prescribed in the Regulations;

xxx xxx xxx

2. Republic Act No. 8293, entitled "AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES" (January 1, 1998).
3. Rule 404. *Translation or Transliteration*. — A translation or transliteration of the mark or of some parts of the mark must accompany the application if the mark or of some parts of the mark is/are in foreign word(s), letter(s) and character(s), or foreign sounding.
4. Intellectual Property Office of the Philippines (IPOPHL) Memorandum Circular No. 17-010, entitled "RULES AND REGULATIONS ON TRADEMARKS, SERVICE MARKS, TRADE NAMES AND MARKED OR STAMPED CONTAINERS OF 2017" (August 1, 2017).
5. ASSOCIATION OF SOUTHEAST ASIAN NATIONS, COMMON GUIDELINES FOR THE SUBSTANTIVE EXAMINATION OF TRADEMARKS (2nd ed., 2020).
6. *Id.* at 80.
7. *Id.* at 86.
8. *Id.* at 89.
9. See *CES Publishing Corporation v. St. Regis Publications, Inc.*, 531 F.2d 11 (2d Cir. 1975).
10. *Ponencia*, p. 5.
11. *Id.* at 20-21.
12. *Id.* at 6.
13. *Id.* at 61.
14. 1935 CONSTITUTION, Article XIII, Section 3.
15. Entitled "AN ACT FURTHER AMENDING SECTION TWELVE OF ACT NUMBERED ONE HUNDRED AND NINETY, ENTITLED 'AN ACT PROVIDING A CODE OF PROCEDURE IN CIVIL ACTIONS AND SPECIAL PROCEEDINGS IN THE PHILIPPINE ISLANDS,' AS AMENDED, BY PROVIDING FOR THE CONTINUATION OF THE SPANISH LANGUAGE AS THE OFFICIAL LANGUAGE OF THE COURTS UNTIL THE FIRST DAY OF JANUARY, NINETEEN HUNDRED AND THIRTEEN, AND FOR OTHER PURPOSES" (May 20, 1909).
16. *Montilla v. Augustinian Corporation*, 24 Phil. 220, 221-222 (1913).
17. 1973 CONSTITUTION, Article XV, Section 3 (3).
18. CONSTITUTION, Article XIV, Sections 6 and 7.
19. 74 Phil. 50 (1942).
20. *Id.* at 52.
21. *Ponencia*, p. 3.

22. IPOPHL Philippine Trademark Database, Trademark Application No. SR8249 filed on April 9, 1987.
23. IPOPHL Philippine Trademark Database, Trademark Application No. 042663 filed on October 6, 1981.
24. IPOPHL Philippine Trademark Database, Trademark Application No. 41996114380 filed on September 30, 1996.
25. *Ponencia*, p. 4.
26. G.R. No. 228165, February 9, 2021.
27. *Id.*; citations omitted.
28. WIPO, INTRODUCTION TO TRADEMARK LAW AND PRACTICE 17 (2nd ed., 1993).
29. WIPO, MAKING A MARK: AN INTRODUCTION TO TRADEMARKS FOR SMALL AND MEDIUM-SIZED ENTERPRISES 22 (2017).
30. WIPO, INTRODUCTION TO TRADEMARK LAW AND PRACTICE 18 (2nd ed., 1993).
31. *Ponencia*, p. 66.
32. WORLD TRADE ORGANIZATION, PHILIPPINES-TAXES ON DISTILLED SPIRITS: REPORTS OF THE PANEL A-13 (2011).
33. *Sterling Products International, Incorporated v. Farbenfabriken Bayer Aktiengesellschaft*, 137 Phil. 838, 852 (1969), citing 2 Callmann, *op. cit.*, pp. 1323-1324.
34. See *Mang Inasal Philippines, Inc. v. IFP Manufacturing Corporation*, 811 Phil. 261, 271 (2017).
35. *Supra* note 26.
36. See *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F.2d 75 (7th Cir. 1977); and *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976).
37. See *CES Publishing Corporation v. St. Regis Publications, Inc.*, 531 F.2d 11 (2d Cir. 1975).
38. *Ponencia*, p. 63.
39. *Id.* at 40.
40. 140 S. Ct. 2298, 591 US ____ (2020).
41. *Ponencia*, p. 57.
42. *Id.* at 59.
43. *Id.* at 71.
44. *Bolos v. Bolos*, 648 Phil. 630, 637 (2010).
45. *Commissioner of Customs v. Court of Tax Appeals*, 296 Phil. 549, 555 (1993).
46. *Ponencia*, p. 63.
47. 620 Phil. 539 (2009).
48. *Id.* at 549.
49. 595 Phil. 1119 (2008).

50. *Id.* at 1149.
51. 833 Phil. 771 (2018).
52. *Id.* at 781-790.
53. *Id.* at 774-775.
54. Section 165 (b) of the IP Code provides that any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, that is likely to mislead the public, is unlawful.
55. *Supra* note 49, at 1149.
56. *n Ponencia*, pp. 77-78.
57. See *Asia Brewery, Inc. v. CA*, 296 Phil. 295, 318 (1993).
58. *In-N-Out Burger, Inc. v. Sehwanj, Incorporated*, *supra* note 49, at 1149.

J.Y. LOPEZ, J., concurring:

1. World Intellectual Property Organization, Introduction to trademark law and practice: The basic concepts 117 (1993 ed.) <https://www.wipo.int/edocs/pubdocs/en/wipo_pub_653.pdf> (visited August 3, 2022).
2. 1772, 396 F. 3d 1369, 1375 (Fed. Cir. 2005) <<https://cite.case.law/f3d/396/1369/>> (accessed on August 4, 2022).
3. *Id.* Emphasis supplied.
4. United States Patent and Trademark Office Trademark Manual of Examining Procedure (TMEP) 1207.01 (b) (vi) (2022). <<http://tmep.uspto.gov/RDMS/TMEP/current#/current/TMEP-1200d1e1.html>> (Accessed at August 4, 2022).
5. 1772, 396 F. 3d 1369, 1375 (Fed. Cir. 2005).
6. Britannica, Romance languages. <<https://www.britannica.com/topic/Romance-languages>> (accessed on August 3, 2022).
7. 115 U.S.P.Q.2d 1122, P.T.O. June 25, 2015. <<https://ttabvue.uspto.gov/ttabvue/ttabvue-85861533-EXA-8.pdf>> (accessed on August 4, 2022).
8. *Id.*
9. *Id.*
10. *En Banc* Decision, Citing 190 USPQ 109, 110 (TTAB 1976).
11. WIPO Manual, p. 2. <https://www.wipo.int/edocs/pubdocs/en/wipo_pub_653.pdf>.
12. US Patents and Trademarks Office. <<https://ttabvue.uspto.gov/ttabvue/ttabvue-74382759-EXA-19.pdf>> (accessed on August 3, 2022).
13. *Id.*
14. *Id.*
15. World Intellectual Property Organization, Introduction to trademark law and practice: The basic concepts 9 (1993 ed.) <https://www.wipo.int/edocs/pubdocs/en/wipo_pub_653.pdf> (visited August 3, 2022).

16. Section 121.1.
 17. *Id.* at 9-10. Emphasis supplied.
 18. Emphasis supplied.
 19. 74 Phil. 50-56 (1942).
 20. *Id.*
 21. 292 Phil. 609 (1993).
 22. Philippine Basketball Association, Team Profile. <<https://www.pba.ph/teams/barangay-ginebra-san-miguel>> (accessed August 4, 2022).
 23. Manila Standard, Barangay Ginebra: Never-say-die, indeed. <<https://manilastandard.net/sports/314223402/barangay-ginebra-never-say-die-indeed.html>> (Accessed at August 4, 2022).
 24. The Gin Guide, Spanish Gin & Distilleries in Spain. <<https://www.theginguide.com/spanish-gin.html>> (accessed August 4, 2022).
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