

G.R. No. 196372 - GINEBRA SAN MIGUEL, INC., v. DIRECTOR OF THE BUREAU OF TRADEMARKS

G.R. No. 210224 – TANDUAY DISTILLERS, INC. v. GINEBRA SAN MIGUEL, INC.

G.R. No. 216104 – TANDUAY DISTILLERS, INC. GINEBRA SAN MIGUEL, INC.

G.R. No. 219632 – TANDUAY DISTILLERS, INC. v. GINEBRA SAN MIGUEL, INC.

Promulgated:

August 9, 2022



CONCURRING OPINION

J.Y. LOPEZ, J.

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 (*IPOP*HL).

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

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different and must be judged on its own merits in the light of all circumstances prevailing. x x x¹

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 En²* 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

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.

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-

⁴ United States Patent and Trademark Office Trademark Manual of Examining Procedure (*TMEP*) 1207.01(b)(vi) (2022). <<https://tmep.uspto.gov/RDMS/TMEP/current#/current/TMEP-1200d1e1.html>> (Accessed at August 4, 2022).

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.

X X X X

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

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).

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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.

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>

*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.

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.

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.

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)

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:

X X X X

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

¹⁶ Section 121.1.

¹⁷ Id. at 9-10. Emphasis supplied.

X X X X

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

X X X X

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

¹⁸ Emphasis supplied.

¹⁹ 74 Phil. 50-56 (1942).

²⁰ Id.

²¹ 292 Phil. 609 (1993).

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

²² Philippine Basketball Association, Team Profile. <<https://www.pba.ph/teams/barangay-ginebra-san-miguel>> (accessed August 4, 2022).

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 Gin²⁴ 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.


Jhosep Y. Lopez
Associate Justice

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²³ Manila Standard, Barangay Ginebra: Never-say-die, indeed. <<https://manilastandard.net/sports/314223402/barangay-ginebra-never-say-die-indecd.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).