

EN BANC

G.R. No. 196372 – GINEBRA SAN MIGUEL, INC., *Petitioner*, v. DIRECTOR OF THE BUREAU OF TRADEMARKS, *Respondent*;

G.R. No. 210224 – TANDUAY DISTILLERS, INC., *Petitioner*, v. GINEBRA SAN MIGUEL, INC., *Respondent*;

G.R. No. 216104, – TANDUAY DISTILLERS, INC., *Petitioner*, v. GINEBRA SAN MIGUEL, INC., *Respondent*; and

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

Promulgated:

August 9, 2022



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CONCURRING AND DISSENTING OPINION

LOPEZ, M., J.:

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) Code² and Rule 404³ of the 2017 Trademark Regulations⁴ 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**

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:

x x x x

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

x x x x

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.

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:

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.

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. 1946¹⁵ 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

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).

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 trade-mark 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,

¹⁸ CONSTITUTION, Article XIV, Sections 6 and 7.

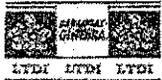
¹⁹ 74 Phil. 50 (1942).

²⁰ *Id.* at 52.

“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:

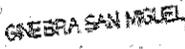
MARK	IMAGE	FILING DATE	STATUS
GINEBRA	GINEBRA	February 21, 2003	Pending
BARANGAY GINEBRA	BARANGAY GINEBRA	July 13, 2010	Registered
GINEBRA CAMPEON	GINEBRA CAMPEÓN	March 7, 1989	For validation
BARANGAY GINEBRA		February 12, 1999	Registered
GINEBRA LIMON		October 28, 1996	Abandoned with Finality
GINEBRA NA!		April 25, 1996	Abandoned with Finality
GINEBRA TAYO		April 11, 2022	For validation
GINEBRA LIGHT		October 25, 2021	For validation

²¹ *Ponencia*, p. 3.

²² IPOPHL Philippine Trademark Database, Trademark Application No. SR8249 filed on April 9, 1987.

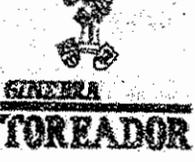
²³ IPOPHL Philippine Trademark Database, Trademark Application No. 042663 filed on October 6, 1981.

²⁴ IPOPHL Philippine Trademark Database, Trademark Application No. 41996114380 filed on September 30, 1996.

GINEBRANG GINEBRA	GINEBRANG GINEBRA	October 24, 2003	Removed 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	Abandoned 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	Abandoned with Finality
GINEBRA SAN MIGUEL		December 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

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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	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	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 PINEAPPLE"



"GINEBRA GUAVA"



"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 "PINEAPPLE" 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."

²⁵ Ponencia, p. 4.

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)

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).

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

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).

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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

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).

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 distinctiveness⁴² 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**;

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).

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(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

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.

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>GINEBRA SAN MIGUEL GINEBRA SAN MIGUEL (word mark)</p>	<p>GINEBRA SAN MIGUEL GINEBRA SAN MIGUEL (word mark)</p>
 <p>GINEBRA S. MIGUEL 65</p>	 <p>LA TONDEÑA CLIQ! GINEBRA MIX & STYLIZED LETTERS LTD. WITH CROWN</p>
 <p>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:

 <p>GINEBRA SAN MIGUEL BOTTLE (registered on October 13, 1973)</p>	 <p>GINEBRA SAN MIGUEL (GIN) 250 ML. (registered on February 23, 1996)</p>
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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

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.

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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

⁵⁵ Supra note 49, at 1149.

⁵⁶ Ponencia, pp. 77-78.

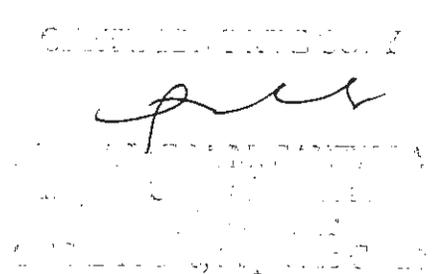
⁵⁷ See *Asia Brewery, Inc. v. CA*, 296 Phil. 298, 318 (1993).

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.

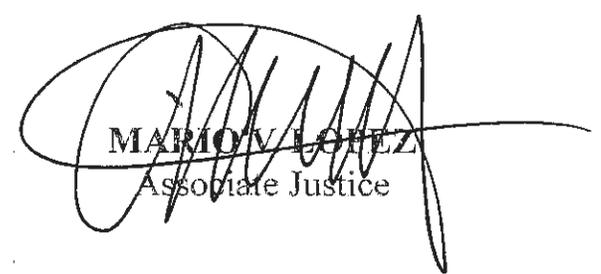
These similarities are more than a mere coincidence. It is incomprehensible how a gin product that also uses the word “GINEBRA” ended up in a similar bottle and label layout when there are so many possible combinations. This brings us to the second element of unfair competition, *i.e.*, intent to deceive 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.



 COMMISSION ON INTELLECTUAL PROPERTY RIGHTS



MARIO V. LOPEZ
 Associate Justice

⁵⁸ *In-N-Out Burger, Inc. v. Sehwan, Incorporated*, supra note 49, at 1149.