

Republic of the Philippines  
**COURT OF APPEALS**  
Manila

**SPECIAL SIXTEENTH DIVISION**

**GINEBRA SAN MIGUEL, CA-G.R. CV NO. 100332  
INC.,**

Plaintiff-Appellant,

-versus-

Members:

**<sup>1</sup>BARZA, R.F.,**  
(Acting Chairperson)  
**ZALAMEDA, R. V., and**  
**SEMPIO DIY, M.E., JJ.**

Promulgated:

**TANDUAY DISTILLERS,  
INC.,**

**07 NOVEMBER 2014**

Defendant-Appellee.

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**DECISION**

**ZALAMEDA, R.V., J.:**

Appealed to this Court is the Decision<sup>2</sup> dated 05 October 2012 issued by Branch 211, Regional Trial Court of Mandaluyong City,<sup>3</sup> in IP Case No. MC03-01 entitled, "Ginebra San Miguel, Inc., Plaintiff, vs. Tanduay Distillers, Inc., Defendant" for Unfair Competition, Infringement and Damages.

The factual antecedents of the case, as culled from the records, are as follows:

A Complaint (With Application for Temporary Restraining Order and/or Writ of Preliminary Injunction)<sup>4</sup> for unfair competition, infringement and damages was filed by plaintiff-appellant Ginebra

<sup>1</sup> Vice **J.** Ramon M. Bato, Jr., per Raffle dated 24 October 2014.

<sup>2</sup> Rollo, pages 155 to 193.

<sup>3</sup> "RTC," for brevity.

<sup>4</sup> Records, Volume 1, pages 02 to 23.

San Miguel, Inc.,<sup>5</sup> against defendant-appellee Tanduay Distillers, Inc.<sup>6</sup> The controversy arose from the alleged trademark infringement purportedly perpetrated by Tanduay against GSMI through its use of the latter's registered trademark, "GINEBRA."

In its Complaint, GSMI claimed that Tanduay used the mark, "GINEBRA," in manufacturing, distributing and marketing the latter's gin product, "GINEBRA KAPITAN." Apparently, Tanduay's use of the said mark, coupled with the colorable imitation of GSMI's bottle and label designs for "GINEBRA," has caused confusion and deception to the general public, allegedly deceiving the latter into believing that "GINEBRA KAPITAN" was being manufactured, distributed and sold by GSMI.<sup>7</sup>

According to GSMI, in an independent survey conducted by an internationally-accredited market research firm covering the Greater Manila Area, North and South Luzon, 90% of the respondents representing some six (6) million gin drinkers, associated the mark "GINEBRA" with "GINEBRA SAN MIGUEL," "SAN MIGUEL," or "LA TONDENA." Further, eighty-five percent (85%) 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 front view and back view, respectively, of "GINEBRA KAPITAN." Thus, San Miguel prayed that Tanduay 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.

On 25 August 2003, GSMI's application for the issuance of a temporary restraining order was heard. During the said hearing, witnesses for GSMI were presented to identify and affirm<sup>8</sup> their respective Affidavits.<sup>9</sup>

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<sup>5</sup> "GSMI," for brevity.

<sup>6</sup> "Tanduay," for brevity.

<sup>7</sup> Records, Volume 1, pages 09 to 10.

<sup>8</sup> *Id.* at 88 to 100.

<sup>9</sup> Records, Vol. II, pages 274 to 291.

In his Affidavit,<sup>10</sup> witness Ramon S. Cruz,<sup>11</sup> the Group Product Manager for Marketing-Liquor Products of GSMI, stated that GSMI is the exclusive owner, by prior adoption and use, of the following trademarks for its gin products under Class 33, to wit:

"X x x

- (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 1943
  
- (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

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<sup>10</sup> *Id.* at 274 to 282.

<sup>11</sup> "Cruz," for brevity.

Reg. Date: 13 October 1993  
Term: Twenty years, or until 23 July 2021  
Date of First Use: 04 September 1996

X x x"<sup>12</sup>

Further stated therein, GSMI has pending trademark applications for: 1) "GINEBRA CAMPEON;" 2) "GINEBRA ANGELITO;" 3) "GINEBRA SAN MIGUEL" 4) "GINEBRA SAN MIGUEL" & DESIGN; 5) "BARANGAY GINEBRA" (label); 6) "GINEBRA SAN MIGUEL" (label); 7) "GINEBRA;" and 8) "GINEBRA SAN MIGUEL" since 1834.

According to Cruz, "GINEBRA" is the dominant feature of the said trademarks, and that GSMI, by itself and through its predecessors-in-interest, have been continuously marketed and distributed throughout the Philippines since 1834, as evidenced by a special issue of the Manila Chronicle dated 31 December 1968.<sup>13</sup>

Also, sometime in March 2003, Cruz discovered that Tanduay has several pending applications involving the word, "GINEBRA," and a month later, he was apprised by GSMI's Territory Sales Manager for North Luzon that a Tanduay product with the word, "GINEBRA" was being launched. Upon inspection of Tanduay's gin product, "GINEBRA KAPITAN," he noticed that it was closely and deceptively similar with GSMI's gin products, "GINEBRA S. MIGUEL Bilog" and "GINEBRA S. MIGUEL BLUE." Worse, GSMI discovered that Tanduay employees were passing off their "GINEBRA KAPITAN" as GSMI's product.

On the other hand, Mercedes R. Abad,<sup>14</sup> President and Managing Director of NFO Trends, Inc.,<sup>15</sup> a corporation engaged in marketing research and consumer behavior, stated in her Affidavit<sup>16</sup> that sometime in June 2003, GSMI engaged the services of NFO Trends, to conduct a consumer survey to determine whether the term

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<sup>12</sup> Records, Vol. II, page 276.

<sup>13</sup> *Id.* at 301 to 355, Exh. X.

<sup>14</sup> "Abad," for brevity.

<sup>15</sup> "NFO Trends," for brevity.

<sup>16</sup> Records, Vol. I, pages 102 to 115.

"GINEBRA" has acquired a strong association with certain brands among gin drinkers and to check for possible confusion in the market generated by the recent product launch of "GINEBRA KAPITAN."<sup>17</sup> The survey, called "Project Bookman," was conducted on 23 June to 06 July 2003, covering the Greater Manila Area, North and South Luzon,<sup>18</sup> on a face-to-face basis interview using the aid of a structured questionnaire where bottles of "GINEBRA KAPITAN" were also shown to the survey respondents to find out what images came to their minds.

Based on the results of the survey, eight (8) out of ten (10) respondents associated the word "GINEBRA" with "SAN MIGUEL" of "GINEBRA SAN MIGUEL."<sup>19</sup> The respondents had also mistaken the bottle of "GINEBRA KAPITAN" to be that of "GINEBRA SAN MIGUEL" gin product when viewed from the back; and, that even when viewed from the front, survey respondents believed that "GINEBRA KAPITAN" is a product of "SAN MIGUEL."<sup>20</sup>

On cross, Abad admitted that the way the "GINEBRA KAPITAN" bottles were presented to the respondents for purposes of the survey was not the same as how these products were actually displayed and sold in retail outlets.<sup>21</sup>

Several other witnesses<sup>22</sup> and their Affidavits were presented by GSMI during the hearing on the prayer for the issuance of a temporary restraining order, but only the testimonies of Cruz and Abad were adopted by GSMI during the trial proper.

For its part, Tanduy presented during the hearing on the application for the issuance of a temporary restraining order, two (2) witnesses, namely, Ramoncito Bugia and Herbert Rosales.<sup>23</sup>

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<sup>17</sup> *Id.* at 105.

<sup>18</sup> *Id.* at 221.

<sup>19</sup> *Id.* at 114.

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

<sup>21</sup> *Id.* at 461.

<sup>22</sup> Records, Vol. II, pages 274 to 291.

<sup>23</sup> "Bugia," and "Rosales," for brevity.

In his Affidavit,<sup>24</sup> Bugia, Tanduary's General Services Manager, averred that Tanduary has trademark registration for "GINEBRA TORO and Representation of a Bull,"<sup>25</sup> registered on 22 April 1997, and several pending applications for its gin products, to wit:

"X x x

MARK: Ginebra Kapitan  
APPLICATION NUMBER: 4-2003-0000122  
DATE FILED: January 7, 2003  
APPLICANT: Tanduary Distillers, Inc.

MARK: GINEBRA AGILA  
APPLICATION NUMBER: 4-2003-0000123  
DATE FILED: January 7, 2003  
APPLICANT: Tanduary Distillers, Inc.

MARK: Ginebra Heneral  
APPLICATION NUMBER: 4-2003-0000124  
DATE FILED: January 7, 2003  
APPLICANT: Tanduary Distillers, Inc.

MARK: Ginebra Torrero & Device  
APPLICATION NUMBER: 4-2003-0001008  
DATE FILED: February 5, 2003  
APPLICANT: Tanduary Distillers, Inc.

MARK: Ginebra Primero 80  
APPLICATION NUMBER: 4-2003-0002160  
DATE FILED: March 10, 2003  
APPLICANT: Tanduary Distillers, Inc.

MARK: Ginebra Primero  
APPLICATION NUMBER: 4-2003-0002161  
DATE FILED: March 10, 2003  
APPLICANT: Tanduary Distillers, Inc.

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<sup>24</sup> Records, Vol. II, pages 644 to 647.

<sup>25</sup> *Id.* at 644.

MARK: Ginebra Torreador and Device  
APPLICATION NUMBER: 4-2003-0002157  
DATE FILED: March 10, 2003  
APPLICANT: Tanduay Distillers, Inc.

MARK: Ginebra Aeroplano Rotterdam & Device  
APPLICATION NUMBER: 4-2003-0003702  
DATE FILED: April 24, 2003  
APPLICANT: Tanduay Distillers, Inc.

X x x<sup>26</sup>

Bugia likewise claimed that Tanduay, under its former corporate name, Twin Ace Holdings Corporation, filed three (3) trademark applications for gin but were abandoned for failure to respond to Official Action Papers and due to economic reasons. These applications are the following:

"X x x

MARK: Ginebra Primero  
APPLICATION NUMBER: 4-1993-085729 REGISTRANT:  
DATE FILED: May 10, 1993  
APPLICANT: Twin Ace Holdings, Corp.

MARK: Ginebra Toreador & Device  
APPLICATION NUMBER: 4-1993-87399  
DATE FILED: August 10, 1993  
APPLICANT: Twin Ace Holdings, Corp.

MARK: Ginebra Matador  
APPLICATION NUMBER: 4-1993-85728  
DATE FILED: May 10, 1993  
APPLICANT: Twin Ace Holdings, Corp.

X x x<sup>27</sup>

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<sup>26</sup> *Id.* at 644 to 645.

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

Apart from the foregoing applications, other parties have trademark registrations for the term, "GINEBRA," namely:

"X x x

MARK: Ginebra Pinoy  
REGISTRATION NUMBER: 41995099992  
REGISTRANT: Webengton Distillery (Philippines), Inc.

MARK: Ginebra Lucky 9  
REGISTRATION NUMBER: 43841  
REGISTRANT: Destileria Limluaco & Co. Inc.

MARK: Ginebra Presidente  
REGISTRATION NUMBER: 042663  
REGISTRANT: Washington Distillery, Inc.

MARK: Ginebra Santiago  
REGISTRATION NUMBER: SR-7649  
REGISTRANT: Destileria Limluaco & Co., Inc.

X x x"<sup>28</sup>

For his part, Rosales, the Vice-President of J. Salcedo and Associates, Inc., stated in his Affidavit<sup>29</sup> that the services of his firm was hired in 2002 to develop brand names for Tanduay's new gin product for launching in 2003. He described the distinguishing features of the "GINEBRA KAPITAN" logo as thus:

"X x x

a. USE OF MODERN LOGO TYPE

The logo type used for the word 'ginebra' was **serpentine bold italics** while that of 'kapitan' was **aachen bold**. The type sizes were set at 24 points for 'ginebra' and 36 points for 'kapitan'. The letter sizes were made much bigger to ensure that the brand name will stand out and be easily identifiable even from a distance of ten (10) feet.

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<sup>28</sup> *Id.* at 646.

<sup>29</sup> *Id.* at 637 to 639.



b. CHOICE OF MAIN VISUAL CONSISTENT WITH THE BRAND NAME

To depict the character of a 'Kapitan', the picture of a leader mounted on his horse leading his troop was used. None of the other gin products out in the market makes use of a 'Kapitan' in the main visual.

c. BOLDER AND BRIGHTER COLOR SCHEME WAS USED

To further give GINEBRA KAPITAN a distinct personality, bright and bold colors were applied. The word GINEBRA written in pantone 072-C blue is set against a pantone 109-C yellow background. The word KAPITAN written in white is set against a pantone 072-C blue background. A red background was used on the label details indicating the gin is 80 proof and the bottle contains 350 ml. Noticeably, the colors blue, red, yellow, and white are the same colors used in our Philippine flag. These colors stand out even from afar.

d. ARRANGEMENT OF LABEL ELEMENTS

The arrangements of the label elements are not similar to other gin products out in the market. The brand name runs through the middle of the label with the bar code and product details alongside each other at the bottom portion of the label. The main visual occupies the entire top portion of the label.

e. LABEL SHAPE

The top of the label has a long oblong cut with no side corners.

f. RESEALABLE CAP

The screw cap (twist and/or resealable cap) feature of the GINEBRA KAPITAN bottle makes the product different from all the gin products which are out in the market. We also specially chose the color scheme and label on the cap. The main colors on the label, blue and yellow, were used on the cap itself. The cap is also appropriately labeled with the brand name GINEBRA KAPITAN.

X x x<sup>30</sup>

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<sup>30</sup> *Id.* at 638 to 639.

While the prayer for the issuance of a temporary restraining order was pending, Tanduary filed a Motion to Dismiss<sup>31</sup> arguing that GSMI's Complaint lacked a valid verification and certificate of non-forum shopping. The RTC denied the said Motion in its Order<sup>32</sup> dated 28 August 2004. A Motion for Reconsideration<sup>33</sup> on the denial of its Motion to Dismiss was thereafter filed by Tanduary as well as a Motion to Strike Out Hearsay Affidavits and Evidence.<sup>34</sup>

On 23 September 2003, the RTC rendered a Joint Order<sup>35</sup> denying Tanduary's Motion for Reconsideration and Motion to Strike Out. On even date, the court *a quo* issued a separate Order,<sup>36</sup> this time granting GSMI's prayer for the issuance of a temporary restraining order and ordering Tanduary and its agents *"to cease and desist from manufacturing, distributing, selling, offering for sale and/or advertising or otherwise using in commerce the mark, 'GINEBRA KAPITAN' which employs, thereon, or in the wrappings, sundry items, cartons and packages thereof, the mark 'GINEBRA' as well as from using the bottle design and label which are nearly identical and confusingly similar with its bottle design and labels for its gin products xxx."*<sup>37</sup>

Upon the grant of the GSMI's application for the issuance of a temporary restraining order, Tanduary filed a Motion for Inhibition<sup>38</sup> of the Presiding Judge, as well as its Answer with Compulsory Counterclaim.<sup>39</sup>

In its Answer, Tanduary maintained that "GINEBRA KAPITAN" is a valid trademark. It argued that the term, "GINEBRA" is the Spanish word for "gin," and thus, a generic term which belongs to the public domain. As such, "GINEBRA" cannot acquire a secondary meaning in the context of the law. Further, Tanduary noted that GSMI had to

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<sup>31</sup> Records, Vol. I, pages 251 to 267.

<sup>32</sup> Records, Vol. II, pages 392 to 393.

<sup>33</sup> *Id.* at 525 to 533.

<sup>34</sup> *Id.* at 548 to 552.

<sup>35</sup> Records, Vol. III, pages 738 to 741.

<sup>36</sup> *Id.* at 742 to 743.

<sup>37</sup> *Id.* at 743.

<sup>38</sup> *Id.* at 818 to 825.

<sup>39</sup> *Id.* at 826 to 839.

disclaim ownership of the term, "GINEBRA," in its trademark registrations for "GINEBRA SAN MIGUEL," "GINEBRA S. MIGUEL" and "LA TONDENA CLIQ! GINEBRA MIX & STYLIZED LETTERS LTD. WITH CROWN DEVICE." And thus, is estopped from asserting any rights over the word "ginebra".<sup>40</sup>

According to Tanduary, it cannot be held liable for infringement of GSMI's trademark rights considering that GSMI is not the registered owner of the term, "GINEBRA." Neither can Tanduary be held liable for unfair competition. The use of the mark, "GINEBRA KAPITAN" in the labels and bottles were done in good faith consistent with legitimate business practices. Also, there is no truth to GSMI's claim that the labels and bottles of "GINEBRA KAPITAN" are confusingly similar with that of "GINEBRA SAN MIGUEL." In any event, GSMI does not have exclusive right as to the shape of the bottle container.

On 07 October 2003, the RTC denied<sup>41</sup> Tanduary's Motion to Inhibit.

Meanwhile, Tanduary filed a Petition for Certiorari<sup>42</sup> before the Court of Appeals against the Order of the RTC granting the application for the issuance of a temporary restraining order. In view thereof, Tanduary sought for the deferment of the hearing on GSMI's application for the issuance of a writ of preliminary injunction.<sup>43</sup> The RTC, however, denied Tanduary's motion to defer the hearing on the preliminary injunction.<sup>44</sup>

On 17 October 2003, the RTC issued an Order<sup>45</sup> granting the application for the issuance of a writ of preliminary injunction upon posting of a bond in the amount of Twenty Million (Php 20,000,000.00) Pesos. Several days later, or on 22 October

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<sup>40</sup> *Id.* at 833.

<sup>41</sup> Records, Vol. IV, pages 869 to 870.

<sup>42</sup> *Id.* at 880 to 937.

<sup>43</sup> *Id.* at 877 to 878.

<sup>44</sup> Records, Vol. V, Order dated 08 October 2003, page 1219.

<sup>45</sup> Records, Vol. VI, pages 1712 to 1718.

2003, the RTC denied the motion to declare Tanduary in default as well as GSMI's motion to strike Tanduary's answer with counterclaim, and ordered that pre-trial be set.<sup>46</sup> Thereafter, the Pre-Trial Order<sup>47</sup> was issued on 06 April 2006.

The presentation of evidence for the parties ensued. As earlier stated, GSMI adopted the testimonies and affidavits of Cruz and Abad to form part of their evidence on the main. The same was likewise true with Bugia and Rosales whose testimonies and Affidavits were adopted by Tanduary.

During the trial on the main, Cruz was again called to the witness stand. On cross-examination, during the trial proper, Cruz testified that GSMI was aware that Tanduary has been using and/or selling gin products under the brand names, "GINEBRA 65," "GINEBRA MATADOR" and "GINEBRA TORO" prior to March 2003. While Cruz took the matter to the upper management of GSMI, no immediate legal action was taken against Tanduary.<sup>48</sup> Moreover, Cruz admitted that GSMI has other competitors, namely: (1) Pard's Gin and 2) Webengton Ginebra Pinoy, which were no longer available; 3) International Distillers; and 4) Gilbeys.<sup>49</sup>

Aside from the foregoing, GSMI was aware of the gin products, "GINEBRA PRESIDENTE," "GINEBRA LUZON," "GINEBRA LUCKY NINE," "GINEBRA SANTIAGO," "GINEBRA MATADOR" and "GINEBRA PINOY" which were produced by GSMI's competitors, such as Webengton Distillery, Consolidated Distillery, Washington Distillery and Distileria Limtuaco.<sup>50</sup> However, legal action for trademark infringement was only pursued by GSMI against "GINEBRA PINOY," manufactured by Webengton Distillery, and "GINEBRA KAPITAN," by Tanduary,<sup>51</sup> being the only ones still active in the market.<sup>52</sup>

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<sup>46</sup> *Id.* at 1719 to 1720.

<sup>47</sup> Records, Vol. XI, pages 4049 to 4055.

<sup>48</sup> Records, TSN Vol. 3, pages 4558 to 4563.

<sup>49</sup> *Id.* at 4563.

<sup>50</sup> *Id.* at 4563 to 4565.

<sup>51</sup> *Id.* at 4565 to 4568.

<sup>52</sup> *Id.* at 4665.

Cruz confirmed on cross that the bottle of "GINEBRA KAPITAN" is slightly taller from that of GSMI's bottle but the difference was not evident when viewed from different angles.<sup>53</sup> And, while both caps of the respective parties' bottles are metallic, they were different. For one, the cap used by GSMI is a *tansan* cap colored black and white. For another, the cap of "GINEBRA KAPITAN" is a screw cap in blue, white and yellow color bearing the name of "GINEBRA KAPITAN."<sup>54</sup>

Likewise recalled to witness stand was Abad, who, this time around, testified on another survey known as "Project Georgia," which was commissioned by GSMI sometime in March 2005.<sup>55</sup> According to Abad, the purpose of this survey was to determine up to what extent, based on the total product perception, "GINEBRA KAPITAN" and "GIN KAPITAN" were being confused for "GINEBRA SAN MIGUEL."<sup>56</sup>

Abad averred that the survey was conducted in several areas, to wit: Manila, Quezon City, Caloocan, San Juan, Mandaluyong, Pasig, Marikina and Paranaque.<sup>57</sup> The survey respondents, totaling to three hundred (300), were shown a six (6)-second video of a drinking scene with five (5) persons drinking the same brand, from the point of view of a passer-by.<sup>58</sup>

The said video, apparently, had three (3) versions, one showing "GINEBRA SAN MIGUEL", another showing "GINEBRA KAPITAN" and another showing "GIN KAPITAN." Each of the respondents, however, was shown only one (1) version, randomly assigned. After viewing, the respondents were asked to answer questions such as what particular product have they noticed in the video, among others.<sup>59</sup>

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<sup>53</sup> *Id.* at 4636 to 4637.

<sup>54</sup> *Id.* at 4638 to 4644.

<sup>55</sup> TSN, Vol. 2, page 4126.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 4389.

<sup>58</sup> *Id.* at 4134.

<sup>59</sup> *Id.* at 4133 to 4142.

The results of the Project Georgia revealed that half (1/2) or one in every two respondents confuse "GINEBRA KAPITAN" and "GIN KAPITAN" as "GINEBRA SAN MIGUEL" and that about more than three-fourths (3/4) of the respondents who were shown the videos incorrectly named either San Miguel Corporation, or "GINEBRA SAN MIGUEL," or La Tondeña, as the manufacturer of "GINEBRA KAPITAN" and "GIN KAPITAN" are the products of GSMI, at eighty-one (81%) percent and seventy-five (75%) percent, respectively.<sup>60</sup>

On cross, Abad testified that when NFO Trends embarked on conducting the survey, she knew that the survey might be used as evidence in a case between San Miguel and Tanduay.<sup>61</sup> She also admitted that during the time the survey was being conducted on 17 to 21 March 2003, "GINEBRA KAPITAN" was not being advertised, sold, or distributed in the target areas and the entire country because of the writ of preliminary injunction in effect.<sup>62</sup>

On re-direct, Abad clarified that while they were tasked to conduct research and survey for their clients, they were primarily engaged to "get the truth,"<sup>63</sup> to find out the status of their brands in the minds of consumers.<sup>64</sup> Abad further clarified that they chose Metro Manila as ideal for the survey because of its large population.<sup>65</sup>

Next to testify was Maria Elizabeth Gustilo,<sup>66</sup> President and CEO of Lowe Incorporated, an advertising agency.

According to Gustilo, with GSMI's history, the term "cultural branding" in developing its "GINEBRA SAN MIGUEL" gin product applies. This approach targets the Filipino working class and their attitude towards work such as perseverance, resiliency and never-say-die spirit. In the so-called "cultural branding", the manufacturer tries to turn its brand into a cultural icon by reflecting reality. Over

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<sup>60</sup> *Id.* at 4145 to 4146.

<sup>61</sup> *Id.* at 4387 to 4388.

<sup>62</sup> *Id.* at 4395 to 4398.

<sup>63</sup> *Id.* at 4407.

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

<sup>65</sup> *Id.* at 4411.

<sup>66</sup> "Gustilo," for brevity.

the years, GSMI was able to turn GINEBRA into a mark representing its own brand. It has become like the first name of its product.<sup>67</sup>

These statements, however, merited objections from the counsel of Tanduay which was sustained by the RTC causing GSMI's lawyer to make a tender offer – that had Gustilo been allowed to testify further, she would be able to fully explain that the word "GINEBRA," standing alone, has been associated with Ginebra San Miguel products and allowing other brands to make use of the name "GINEBRA" would lead to confusion and affect the ability of consumers to make a choice in the selection of the particular products he/she would buy.<sup>68</sup>

GSMI also presented Atty. Harvey Braceros and Joaquin "Chito" Loyzaga to testify on San Miguel's brand development through its acquisition of a franchise with the Philippine Basketball League. GSMI's basketball team has been known as "GINEBRA," and has become associated with GSMI in all the publications of the PBA.<sup>69</sup>

Tanduay's main defense, on the other hand, centered on its claim that the word "GINEBRA" is a generic term which is not capable of exclusive appropriation. Even the doctrine of secondary meaning cannot be applied because its application is limited to descriptive marks. Moreover, Tanduay maintained that it cannot be held liable for unfair competition because San Miguel failed to prove that all the elements thereof are present in this case.

In support of its defense, Tanduay again presented Bugia and Rosales, as well as Ador R. Gomez and Albert Tan, as witnesses during the trial proper.

Rosales testified that at the time the brand name, "GINEBRA KAPITAN" was being conceptualized, J. Salcedo and Associates and Tanduay agreed to use the term "GINEBRA" because under the Spanish-English dictionary the said term pertains to gin.<sup>70</sup> On the

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<sup>67</sup> TSN, Vol. 3, 12 April 2007 pages 38 to 39.

<sup>68</sup> TSN, Vol. 3, 03 May 2007, pages 04 to 25.

<sup>69</sup> TSN, Vol. 3, 05 October 2006, pages 4425 to 4447.

<sup>70</sup> TSN, Vol. 3, 06 June 2011, pages 26 to 28.

aspect of the bottle design they opted to use the "bilog" type of bottle made by Asia Brewery for Tanduay, the design of which is different from the bottle of San Miguel.<sup>71</sup>

Finally, Ador R. Gomez and Albert Tan testified on the expenses incurred by the corporation in the promotion, development and acquisition of materials relative to the launching of the product "GINEBRA KAPITAN."<sup>72</sup>

After years of trial and countless motions, oppositions and manifestations on a myriad of issues filed by both parties, the case was finally submitted for decision on 16 May 2012.<sup>73</sup> Two months later, the RTC, now presided by the Hon. Ofelia L. Calo, rendered the appealed Decision,<sup>74</sup> the dispositive portion of which states:

"X x x

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.

X x x"<sup>75</sup>

GSMI promptly filed a Motion for Reconsideration<sup>76</sup> which was denied<sup>77</sup> by the RTC:

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<sup>71</sup> *Id.* at 30 to 24.

<sup>72</sup> TSN, Vol. 3, 05 September 2011, pages 02 to 32; 26 September 2011, pages 02 to 38.

<sup>73</sup> Records, Vol. XVII, page 6968.

<sup>74</sup> *Id.* at 6969 to 7007.

<sup>75</sup> *Id.* at 7006.

<sup>76</sup> *Id.* at 7047 to 7073.

<sup>77</sup> *Id.* at 7127 to 7135.



“X x x

**WHEREFORE**, premises considered, the Motion for Reconsideration (of the 25 July 2012 Decision) filed on August 15, 2012 by plaintiff Ginebra San Miguel, Inc., through counsel is hereby **DENIED** for lack of merit.

**SO ORDERED.**

X x x”<sup>78</sup>

A Notice of Appeal<sup>79</sup> was later on filed by GSMI which the RTC initially denied via an Order<sup>80</sup> dated 31 October 2012. The RTC ruled that appeal was not the proper mode to assail the court’s Decision but a Petition for Review under Rule 43 of the Rules of Court. This prompted GSMI to file an Ad Cautelam Motion for Extension of Time to File Petition for Review Under Rule 43<sup>81</sup> pursuant to the said Order dated 31 October 2012 of the RTC.

Four months after and while the said Petition for Review, docketed as CA-G.R. SP No. 127255 entitled, “Ginebra San Miguel, Inc. vs. Tanduay Distillers, Inc.,” was pending before the Former Special Thirteenth Division of this Court, GSMI filed a Manifestation<sup>82</sup> dated 25 February 2013, informing the said Division that the RTC rendered an Order<sup>83</sup> on 14 February 2013 giving due course to GSMI’s Notice of Appeal on the grounds of liberality and substantial justice. GSMI also manifested to file the necessary motion to consolidate the Petition for Review *ad Cautelam* and the Appeal elevated to this Court.<sup>84</sup>

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<sup>78</sup> *Id.* at 7135.

<sup>79</sup> *Id.* at 7138 to 7140.

<sup>80</sup> Rollo, page 284.

<sup>81</sup> *Id.* at 285 to 288.

<sup>82</sup> *Id.* at 292 to 293.

<sup>83</sup> *Id.* at 295.

<sup>84</sup> *Id.* at 292 to 293.

On 02 September 2013, or seven months thereafter, GSMI filed the Manifestation With Motion for Consolidation.<sup>85</sup> Considering, however, that a decision<sup>86</sup> has already been rendered in favor of the movant in CA-G.R. SP No. 127255 and the motion for reconsideration thereof already resolved, this Court denied the said Motion for Consolidation on 27 March 2014.<sup>87</sup>

In the present Appeal before Us, GSMI raises the following assignment of errors, to wit:

"X x x

CONTRARY TO THE RULING OF THE TRIAL COURT, TDI IS  
LIABLE FOR TRADEMARK INFRINGEMENT.

THE TRIAL COURT GRAVELY ERRED WHEN IT RULED THAT  
TDI IS NOT GUILTY OF UNFAIR COMPETITION.

GSMI HAS PROVEN, BY MORE THAN A MERE  
PREPONDERANCE OF EVIDENCE, THAT TDI IS GUILTY OF  
TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION,  
AND THAT THESE ILLEGAL ACTS HAVE CAUSED GREAT  
DAMAGE TO GSMI.

X x x"<sup>88</sup>

The aforesaid assignment of errors can be simplified into two (2) main issues. First, whether or not the RTC erred in ruling that Tanduy is not liable for trademark infringement. And second, whether or not the RTC erred in likewise holding that Tanduy is not liable for unfair competition.

Before We resolve the said issues, it must be reiterated in this case that there were two (2) modes of appeal sought by GSMI. First, a Petition for Review which was filed *ad cautelam* after its Notice of Appeal was denied by the RTC on the ground that an appeal is the

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<sup>85</sup> *Id.* at 299 to 305.

<sup>86</sup> *Id.* at 307 to 333.

<sup>87</sup> *Id.* at 624 to 625.

<sup>88</sup> Rollo, pages 84 to 86.

wrong mode to assail its Decision. And second, the instant Appeal after the RTC subsequently reconsidered its Order denying GSMI's Notice of Appeal and allowing due course to the same.

To note, this Court was initially unaware of a separate Petition for Review *ad cautelam* filed by GSMI and pending with another division.<sup>89</sup> Neither were We informed that a decision has already been rendered in said case. It was only on 02 September 2013 when GSMI informed Us, through a Manifestation With Motion to Consolidate,<sup>90</sup> about the Petition for Review *ad cautelam* docketed as CA-G.R. SP No. 127255 and the Decision dated 15 August 2013 rendered therein by the Special Former Thirteenth Division of this Court.

Indeed, had We been promptly apprised that GSMI likewise filed a Petition for Review *ad cautelam* before the Court of Appeals, We could have immediately ordered the mandatory consolidation of the cases *motu proprio* in light of the pronouncement of the Supreme Court in its *en banc* Decision<sup>91</sup> dated 02 July 2013 in entitled, "Re: Letter Complaint of Merlita B. Fabiana Against Presiding Justice Andres B. Reyes, Jr., et al."<sup>92</sup> However, when GSMI finally sought for the consolidation of the Petition for Review *ad cautelam* and the present Appeal, there was nothing more to consolidate, *i.e.*, a decision had already been rendered and subsequently, before We could act thereon, the motion for reconsideration had already been denied. A consolidation must be allowed only while both cases are pending resolution and not when one case has already been resolved and dispensed with.

In one case,<sup>93</sup> the Supreme Court quoted the *ratio* of the Resolution of the Court of Appeals in denying the motion for reconsideration filed by one party to reconsider the Court's Decision in light of another decision rendered by a different Division involving

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<sup>89</sup> Rollo, paragraph no. 13, page 97.

<sup>90</sup> *Id.* at 255 to 260.

<sup>91</sup> A.M. No. CA-13-51-J.

<sup>92</sup> In the said case, the Supreme Court ruled that: "in the appellate stage, therefore, the rigid policy is to make the consolidation of all cases and proceeding resting on the same sets of facts, or involving identical claims or interests or parties mandatory."

<sup>93</sup> Borlongan vs. Reyes, G.R. No. 161276, 31 January 2005.

the same case, parties and fact, thus:

"X x x

Under these circumstances, without a consolidation, both divisions will have to decide their own cases, and any resulting conflict in the decisions on similar issues of fact and law will have to be resolved ultimately by the Supreme Court as the supreme arbiter of all justiciable controversies in this jurisdiction.

But for the respondent to make it appear as if we are to blame for the conflict between the two divisions of the Court, after the respondent refused to consolidate the cases before us, is absurd and comical. Absurd, because he is saying in so many words that we should not exercise an independent judgment in our case anymore after the 5<sup>th</sup> Division happened to decide its case ahead of us and comical, because he has reduced the adjudicative process into a race between the cases. If we had only known that this was the kind of ballgame he wanted us to observe, we would have considered our case submitted for decision a long time ago, immediately after he filed his comment, and bar the parties from filing replies, memoranda and other pleadings as a waste of our time. This is how things would turn out if we pursued his line of thinking *ad absurdum*.

X x x"

Correctly, the adjudicative process must not be turned into a race between the cases and between the Divisions to which the cases with similar parties, facts, and issues are pending. Again, consolidation of the cases can no longer be done herein as a Decision had been rendered in the Petition for Review *ad cautelam* and even the motion for reconsideration filed had already been denied. The said case is therefore no longer considered pending with the Court of Appeals, as the issues therein had already been disposed of.

To reiterate, even Tanduary never moved to consolidate the cases or to interpose any comment when GSMI filed its motion for consolidation. Neither did it inform Us to the pendency of two (2)

separate appeals.

Now, while never raised as an issue by the parties in this Appeal, the Court deems it proper to address the question of whether the filing of the Appeal before this Court is the proper mode to assail the Decision of the RTC.

Under A.M. No. 10-3-10-SC, otherwise known as the Rules of Procedure for Intellectual Property Rights Cases, the decisions or final orders of the RTC acting as special commercial courts, in cases for violation trademark rights, among others, shall be appealable to the Court of Appeals via a Petition for Review under Rule 43 of the Rules of Court.<sup>94</sup> Thus, the proper mode is not via an ordinary appeal but rather via a Petition for Review.

The Court could have dismissed the instant Appeal considering that the proper remedy is a Petition for Review and not via an ordinary Appeal. But this notwithstanding, We shall discuss the merits of the Appeal despite the apparent procedural *faux pas* committed.

The Supreme Court has allowed liberal construction of the rules when to do so would serve the demands of substantial justice. Dismissal of appeals purely on technical grounds is frowned upon. It is better to excuse a technical lapse rather than dispose of a case on technicality, giving a false impression of speedy disposal of cases while actually resulting in more delay, if not a miscarriage of justice.<sup>95</sup> Considering further the peculiar circumstances surrounding the present Appeal, including the apparent interest of both parties to dwell on the merits of the case, neither of them moving for its dismissal, and the utmost importance of the issues presented before Us, the Court deems it proper to dwell on the substantive issues but likewise bearing in mind the previous ruling of the Former Special Thirteenth Division of this Court.

We are wholly aware that the present Appeal seeks to resolve the issue on Tanduy's alleged liability for unfair competition and

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<sup>94</sup> Section 2, Rule 9.

<sup>95</sup> BF Citiland Corporation vs. Marilyn Otake, G.R. No. 173351, 29 July 2010.

trademark infringement. However, it cannot be undermined that in order to resolve the same, the question of whether or not "GINEBRA" is protected by trademark laws must first be taken up.

Thus, in order to determine the primordial issue of whether or not Tanduay must be held liable for unfair competition and trademark infringement, We must first resolve whether "GINEBRA" is a generic term and therefore, incapable of being appropriated as a trademark.

The pertinent law on the matter is Section 123 of Republic Act No. 8293<sup>96</sup> which provides that:

"X x x

**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

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<sup>96</sup> "R.A. No. 8293," for brevity.

(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.

**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.**

123.3. The nature of the goods to which the mark is applied will not constitute an obstacle to registration. (Sec. 4, R.A. No. 166a; emphasis supplied)

"X x x

In the case of *McDonald's Corporation and McGeorge Food Industries, Inc. vs. L.C. Big Mak Burger, Inc. et al.*,<sup>97</sup> generic and descriptive marks have been defined as such:

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<sup>97</sup> G.R. No. 143993, 18 August 2004.



"X x x

X x x Generic marks are commonly used as the name or description of a *kind* of goods,—such as "Lite" for beer or "Chocolate Fudge" for chocolate soda drink. Descriptive marks, on the other hand, convey the characteristics, *functions*, qualities or ingredients of a product to one who has never seen it or does not know it exists, such as "Arthriticare" for arthritis medication. X x x

X x x<sup>98</sup>

This definition has been expounded in *Societe Des Produits Nestle, S.A. and Nestle Philippines, Inc. vs. Court of Appeals and CFC Corporation*:<sup>99</sup>

"X x x

X x x **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. On the other hand, a term is **descriptive** and therefore invalid as a trademark if, as understood in its normal and natural sense, it "forthwith conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is," or "if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods," or if it clearly denotes what goods or services are provided in such a way that the consumer does not have to exercise powers of perception or imagination. [Emphasis supplied]

X x x<sup>100</sup>

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<sup>98</sup> *Id.*

<sup>99</sup> G.R. No. 112012, 04 April 2001.

<sup>100</sup> *Id.*

Applying the aforequoted law and jurisprudence, as well as the evidence presented in this case, We resolve the issue of whether "GINEBRA" is a generic or otherwise a descriptive term.

The RTC ruled that "GINEBRA," is a generic term which cannot be appropriated for trademark, and thus, Tanduay cannot be held liable for trademark infringement for using the mark, "GINEBRA KAPITAN."

According to the RTC, the term "GINEBRA," under Meriam-Webster's Pocket Spanish-English Dictionary, is the Spanish translation for the word, "gin." That being the case, the word "GINEBRA," cannot acquire secondary meaning under trademark laws, this, despite the historically long and continuous use of the said mark by GSMI.

In its Brief,<sup>101</sup> GSMI argues that the RTC gravely erred in its ruling. It maintains that not only was there no evidence presented by either party to support the RTC's conclusion that the term, "GINEBRA," is the Spanish word for gin, but GSMI was likewise able to prove, through testimonial and documentary evidence, that "GINEBRA" has acquired secondary meaning as contemplated under trademark laws. According to GSMI, "GINEBRA" has been associated by the relevant public exclusively with GSMI's gin products and that the same has become an iconic brand directly attributed to GSMI.

Tanduay, on the other hand, counters in its Brief<sup>102</sup> that "GINEBRA" is a generic term and its dictionary meaning refers to a "strong, colorless alcoholic beverages xxx."<sup>103</sup> To defend the RTC's finding that "GINEBRA" is a generic term, Tanduay refers to the testimony of its witness, Rosales, that "GINEBRA" is a Spanish term and that it is generic:

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<sup>101</sup> *Id.* at 78 to 153.

<sup>102</sup> *Id.* at 510 to 565.

<sup>103</sup> *Id.* at 520.

"X x x

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.

X x x<sup>104</sup>

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 whether or not there was 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 Tanduary executives to decide for themselves that the term "GINEBRA" is a common term, and thus, generic.

We are aware that foreign jurisprudence, in particular, that of the United States of America, supports the notion that the presence of a term in the dictionary is often treated by courts as persuasive evidence of how a term is understood and used by the consuming

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<sup>104</sup> *Id.* at 521.

public.<sup>105</sup> However, it must be noted that the dictionary words alluded to by American jurisprudence pertains to the entries found in an English-language dictionary, or in their own language or mother tongue. In this case, however, the term in contention, "GINEBRA," is a foreign word, of Spanish origin, and the dictionary meaning was culled from a Spanish-English dictionary. And while dictionary meanings of the word, "GINEBRA," have been provided by the RTC in its Decision and by Tanduy in its Appellee's Brief, it must be emphasized that none of these have been introduced in evidence while the case was pending before the lower court.

Moreover, while the courts may take judicial notice of matters considered as public knowledge, such as those appearing in encyclopedias and dictionaries, it must be a matter that has gained universal notoriety and so generally understood that they may be regarded as forming part of the common knowledge of every person.<sup>106</sup> Here, the universality of the dictionary meaning of "GINEBRA" in the Spanish-English dictionary is dubious. For one, while the Philippines had been a colony of Spain for more than three hundred (300) years, Spanish is not an official language of the Philippines, a matter which this Court can take judicial notice of. For another, there is no evidence to show that an ordinary person in the Philippines would be knowledgeable that "GINEBRA" is a direct translation of gin in Spanish.

In any case, even if We allow the dictionary meaning of "GINEBRA" to be introduced in evidence in this Appeal, or even if We take judicial notice of such a meaning, We still find for GSMI.

Indeed, it may be true that "GINEBRA" is a Spanish word for gin, and thus, generic, or that "GINEBRA" may be descriptive of class of alcoholic drink called gin. However, these do not detract from the fact that "GINEBRA," though 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,<sup>107</sup> and has therefore already acquired a secondary meaning under trademark

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<sup>105</sup> The Nestle Company, Inc. v. Chester's Market, Inc., 571 F. Supp. 763 (1983).

<sup>106</sup> Genesis Transport Service, Inc. vs. Unyon ng Malayang Manggagawa ng Genesis Transport (UMMGT), G.R. No. 182114, 05 April 2010.

<sup>107</sup> Folder 1, Exhibits, Exh. "AA," pages 01 to 05; Exh. "BB," pages 06 to 09.

laws.

In trademark law, the doctrine of secondary meaning finds application when a word or phrase originally incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase has come to mean that the article was his product.<sup>108</sup> In determining the applicability of the doctrine it has been said that courts must determine the extent of a mark's effect on the purchasing public. Verily, the strength of mark ultimately depends on the degree to which the designation is associated by prospective purchasers with a particular source.<sup>109</sup>

After meticulously going over the voluminous records of the case, We find that GSMI has presented a preponderance of evidence to prove its claim over the mark, "GINEBRA," and that the same has acquired a secondary meaning in trademark laws.

It is undisputed that the mark, "GINEBRA" has been used in the Philippines by GSMI and its predecessors-in-interest since the 1800s. **Through its long use in the country, "GINEBRA" has become singularly synonymous with GSMI's gin products and with GSMI itself as the manufacturer, and identifiable not only by the consuming public but likewise by the general populace.** Almost two (2) centuries of usage, effective tri-media promotions and advertisements has bestowed upon "GINEBRA" a secondary meaning exclusively identifiable to GSMI and its gin products.

Moreover, even if it may be true that there had been attempts by other entities to register the mark "GINEBRA" or market their products bearing the said mark, as Tanduary pointed out in the testimony of their witnesses, these entities have not actively utilized

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<sup>108</sup> Philippine Nut Industry, Inc. vs. Standard Brands Incorporated and Tiburcio S. Evalle as Director of Patents, G.R. No. L-23035, 31 July 1975.

<sup>109</sup> Petro Stopping Centers, L.P. v. James River Petroleum, United States Court of Appeals, Fourth Circuit No. 97-1215, 26 November 1997.

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.<sup>110</sup> Against these pieces of evidence, Tanduy was unable to present countervailing evidence. Tanduy 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.<sup>111</sup>

We also take exception on the RTC's ruling as inadmissible, being hearsay, the testimony of Abad and the results of the survey conducted by NFO Trends, Projects Bookman and Georgia.

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 even if the mark is generic.<sup>112</sup> In the United States in particular, although historically considered hearsay, survey evidence is now admissible under their Federal Rule of Evidence 703.<sup>113</sup>

In one article published in *The Trademark Reporter*, the official journal of the International Trademark Association,<sup>114</sup> it was said that:

Many courts have found that survey respondents' answers to questions about their perceptions of advertisements or trademarks **constitute statements of**

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<sup>110</sup> *Berris Agricultural Co., Inc. vs. Abyadang*, G.R. No. 183404, 13 October 2010.

<sup>111</sup> See TSN, Vol. 3, 12 April 2007, pages 41 to 42.

<sup>112</sup> Thornburg, Robert H., *Trademark Survey Evidence: Review of Current Trends in the Ninth Circuit*, 21 Santa Clara High Tech. L.J. 715 (2004). Available at: <http://digitalcommons.law.scu.edu/chtlj/vol21/iss4/3>

<sup>113</sup> *Id.*

<sup>114</sup> Leighton, Richard J., *Using (and Not Using) the Hearsay Rules To Admit and Exclude Surveys in Lanham Act False Advertising and Trademark Cases*, *The Trademark Reporter*, Vol. 92, No. 6, November-December 2002.

**those declarants' states of mind that are excepted from the hearsay rule** by Federal Rule of Evidence 803(3). That Rule, in most relevant part, excludes from the prohibitions of the hearsay rule —

**A statement of the declarant's then existing state of mind, emotion, sensation . . . (such as intent . . . [and] mental feeling . . .), but not including a statement of memory or belief to prove the fact remembered or believed. . . .**  
[Emphasis supplied]<sup>115</sup>

In the Philippines, the equivalent exception under the hearsay rule, as in the situation above, refers to the doctrine of independently relevant statements.

Ordinarily, a witness can only testify to those facts which he knows of his personal knowledge, save for certain exceptions.<sup>116</sup> One of those exceptions refers to the doctrine of independently relevant statement:

"X x x

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 known as the doctrine of independently relevant statements.

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<sup>115</sup> *Id.*

<sup>116</sup> Section 36, Rule 130, Rules of Court.

X x x"<sup>117</sup>

Applied in the present case, when Abad testified on the survey results, she did not testify to prove the truth or falsity of the statements or answers made by the survey respondents or interviewees. **Rather, she merely testified to the fact that such statements or answers were indeed made by the said survey respondents and those statements constitute the respondents' states of mind.** Abad and her team collated the results of the survey and presented the trends, so to speak, culled from the survey respondents' answers. Thus, even if the survey respondents themselves were not presented on the stand to testify on their answers, Abad's testimony as to the fact that such responses were made by the said respondents should not be stricken off the record as being hearsay.

Thus, in this light, We find that the RTC erred in disregarding the testimony of Abad pertaining to the results culled from the statements of the survey respondents in the Bookman and Georgia surveys.

Having threshed out the admissibility of Abad's testimonies and the results of the surveys, We shall now delve into the substance of these pieces of evidence.

As testified by Abad, the surveys show, among other things, that eight (8) out of ten (10) respondents associate the word "GINEBRA" with "SAN MIGUEL" or "GINEBRA SAN MIGUEL." This fact alone is enough to bolster GSMI's claim that "GINEBRA" is not generic but rather, a distinct mark capable of appropriation. Further, that "GINEBRA" is so inextricably and singularly identified with GSMI's gin products, in particular, "GINEBRA SAN MIGUEL" that Tanduay's use of "GINEBRA" in its "GINEBRA KAPITAN" products sows confusion in the minds of the consuming public, leading the populace to believe that "GINEBRA KAPITAN" is a product associated with "GINEBRA SAN MIGUEL."

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<sup>117</sup> Jose Espineli a.k.a. Danilo Espineli vs. People of the Philippines, G.R No. 179535, 09 June 2014.



It must not be missed that Projects Bookman and Georgia remain uncontroverted. While Tanduary discredited 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 prove their hypothesis.

We note, too, that the entity which conducted the survey has been in the market research for such a time as to gain the trust of well-established corporations. Certainly, Tanduary cannot just claim that NFO Trends research and survey methodologies are wrong without substantiating it. And even if the burden to show that the surveys are admissible as competent proof of its contents rests upon GSMI, We find no reason to discredit the surveys conducted on the unsubstantiated notion that the sample population was not representative of the gin-consuming public, or that the survey was phrased in such a way as to cull specific responses to support GSMI's claim. After all, Tanduary 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 it did not.

In any event, the methodology utilized by NFO Trends is well-documented in the Project Bookman and Project Georgia research papers and/or analyses.

There is one more final matter that we need to discuss before We delve into the issue of infringement, the case of *La Tondeña Distillers Inc. (Ginebra San Miguel, Inc.) vs. Director of the Bureau of Trademarks* in *CA-G.R. SP No. 112005*, which, according to Tanduary, should be followed by this Court in resolving the present issues before Us.

We disagree.

We note that the subject of *SP No. 112005* is a Decision of the Director General of the Intellectual Property Office<sup>118</sup> over the

<sup>118</sup> "IPO," for brevity.

registration of the trademark "GINEBRA" and that the Former Third Division of the Court of Appeals ruled against GSMI. It must be stated, however, that the said case is pending review before the Supreme Court, and thus, has not attained finality. To just adhere to another ruling of this Court without regard to the facts and evidence, as well as to the applicable laws and jurisprudence, is tantamount to gross ignorance and gross abuse of discretion. To stress, each case must be decided on its own merits.

We now come on the issue of trademark infringement and unfair competition. As the issues are intertwined, We shall jointly resolve the same.

In the context of industrial property protection, it has been said that acts of unfair competition are those that create confusion with the goods or the industrial or commercial activities of a competitor. It also pertains to false allegations in the course of trade that discredit the goods or the industrial or commercial activities of a competitor; or yet, indications or allegations, the use of which in trade is likely to mislead the public as to the characteristics of the goods.<sup>119</sup>

Jurisprudence teaches that to establish trademark infringement the following elements<sup>120</sup> 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 the case of *Skechers U.S.A, Inc. vs. Inter Pacific Industrial Trading Corp., et al.*<sup>121</sup> it was held that:

"X x x

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<sup>119</sup> Khan, Shamid, *Socio-Economic Benefits of Intellectual Property Protections in Developing Countries*, published by The World Intellectual Property Organization (WIPO), page 44. A copy of the book may be downloaded at the WIPO website [www.wipo.int](http://www.wipo.int)

<sup>120</sup> Superior Commercial Enterprise, Inc. vs. Kunnan Enterprises Ltd. and Sports Concept & Distributor, Inc., G.R. No. 169974, 20 April 2010.

<sup>121</sup> G.R. No. 164321, 23 March 2011.

The essential element of infringement under R.A. No. 8293 is that the infringing mark is likely to cause confusion.

In determining similarity and likelihood of confusion, jurisprudence has developed tests the Dominancy Test and the Holistic or Totality Test. The Dominancy Test focuses on the similarity of the prevalent or dominant features of the competing trademarks that might cause confusion, mistake, and deception in the mind of the purchasing public. Duplication or imitation is not necessary; neither is it required that the mark sought to be registered suggests an effort to imitate. Given more consideration are the aural and visual impressions created by the marks on the buyers of goods, giving little weight to factors like prices, quality, sales outlets, and market segments.

In contrast, the Holistic or Totality Test necessitates a consideration of the entirety of the marks as applied to the products, including the labels and packaging, in determining confusing similarity. The discerning eye of the observer must focus not only on the predominant words, but also on the other features appearing on both labels so that the observer may draw conclusion on whether one is confusingly similar to the other.

Relative to the question on confusion of marks and trade names, jurisprudence has noted two (2) types of confusion, viz.: (1) confusion of goods (product confusion), where the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other; and (2) confusion of business (source or origin confusion), where, although the goods of the parties are different, the product, the mark of which registration is applied for by one party, is such as might reasonably be assumed to originate with the registrant of an earlier product, and the public would then be deceived either into that belief or into the belief that there is some connection between the two parties, though inexistent.

X x x"

The basic guidelines in determining infringement had also been clearly laid down in the case of *Del Monte Corporation and Philippine Packing Corporation vs. Court of Appeals and Sunshine*

*Sauce Manufacturing Industries*,<sup>122</sup> to wit:

"X x x

It has been correctly held that side-by-side comparison is not the final test of similarity. Such comparison requires a careful scrutiny to determine in what points the labels of the products differ, as was done by the trial judge. The ordinary buyer does not usually make such scrutiny nor does he usually have the time to do so. The average shopper is usually in a hurry and does not inspect every product on the shelf as if he were browsing in a library. Where the housewife has to return home as soon as possible to her baby or the working woman has to make quick purchases during her off hours, she is apt to be confused by similar labels even if they do have minute differences. The male shopper is worse as he usually does not bother about such distinctions.

The question is not whether the two articles are distinguishable by their label when set side by side but whether the general confusion made by the article upon the eye of the casual purchaser who is unsuspecting and off his guard, is such as to likely result in his confounding it with the original. As observed in several cases, the general impression of the ordinary purchaser, buying under the normally prevalent conditions in trade and giving the attention such purchasers usually give in buying that class of goods is the touchstone.

It has been held that in making purchases, the consumer must depend upon his recollection of the appearance of the product which he intends to purchase. The buyer having in mind the mark/label of the respondent must rely upon his memory of the petitioner's mark. Unlike the judge who has ample time to minutely examine the labels in question in the comfort of his sala, the ordinary shopper does not enjoy the same opportunity.

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<sup>122</sup> G.R. No. L-78325, 25 January 1990.

A number of courts have held that to determine whether a trademark has been infringed, we must consider the mark as a whole and not as dissected. If the buyer is deceived, it is attributable to the marks as a totality, not usually to any part of it. The court therefore should be guided by its first impression, for a buyer acts quickly and is governed by a casual glance, the value of which may be dissipated as soon as the court assumes to analyze carefully the respective features of the mark.

It has also been held that it is not the function of the court in cases of infringement and unfair competition to educate purchasers but rather to take their carelessness for granted, and to be ever conscious of the fact that marks need not be identical. A confusing similarity will justify the intervention of equity. The judge must also be aware of the fact that usually a defendant in cases of infringement does not normally copy but makes only colorable changes. Well has it been said that the most successful form of copying is to employ enough points of similarity to confuse the public with enough points of difference to confuse the courts.

We also note that the respondent court failed to take into consideration several factors which should have affected its conclusion, to wit: age, training and education of the usual purchaser, the nature and cost of the article, whether the article is bought for immediate consumption and also the conditions under which it is usually purchased. Among these, what essentially determines the attitude of the purchaser, specifically his inclination to be cautious, is the cost of the goods. To be sure, a person who buys a box of candies will not exercise as much care as one who buys an expensive watch. As a general rule, an ordinary buyer does not exercise as much prudence in buying an article for which he pays a few centavos as he does in purchasing a more valuable thing. Expensive and valuable items are normally bought only after deliberate, comparative and analytical investigation. But mass products, low priced articles in wide use, and matters of everyday purchase requiring frequent replacement are bought by the casual consumer without great care. In this latter category is catsup.

X x x

As previously stated, the person who infringes a trade mark does not normally copy out but only makes colorable changes, employing enough points of similarity to confuse the public with enough points of differences to confuse the courts. What is undeniable is the fact that when a manufacturer prepares to package his product, he has before him a boundless choice of words, phrases, colors and symbols sufficient to distinguish his product from the others. When as in this case, Sunshine chose, without a reasonable explanation, to use the same colors and letters as those used by Del Monte though the field of its selection was so broad, the inevitable conclusion is that it was done deliberately to deceive.

It has been aptly observed that the ultimate ratio in cases of grave doubt is the rule that as between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favor with the public, any doubt should be resolved against the newcomer inasmuch as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.

X x x"

On the other hand, Article 168.3 of R.A. No. 8293, on unfair competition, states:

"X x x

**Section 168.** *Unfair Competition, Rights, Regulation and Remedies.* - 168.1. X x x

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;**

(b) Any person who by any artifice, or device, or who employs any other means calculated to induce the false belief that such person is offering the services of another who has identified such services in the mind of the public; or

(c) Any person who shall make any false statement in the course of trade or who shall commit any other act contrary to good faith of a nature calculated to discredit the goods, business or services of another.

X x x"

In ruling that Tanduay was not liable for trademark infringement and unfair competition, the RTC utilized both the "dominancy test" and the "holistic test" to determine whether or not there is confusing similarity in the appearance of "GINEBRA KAPITAN" and "GINEBRA SAN MIGUEL's" product, "GINEBRA S. MIGUEL."

According to the RTC, the dominant mark of "GINEBRA KAPITAN" is the composite mark, "GINEBRA KAPITAN" considering it 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."<sup>123</sup>

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<sup>123</sup> Rollo, page 191.

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

The RTC likewise disregarded GSMI’s evidence pertaining to result of the two (2) surveys commissioned by GSMI, “Project Bookman” and “Project Georgia” to prove that there was actual confusion on the part of the consuming public in differentiating GSMI and Tanduay’s gin products, on the ground of hearsay.

For comparison, photo of the gin products of Tanduay and GSMI, placed side-by-side, is hereby reproduced for reference:



After due consideration, We are of the view that Tanduay committed infringement in its use of the trademark “GINEBRA” and unfair competition in the way it designed and presented its bottle and label to the consumers.

While the RTC utilized both the dominancy and holistic tests in determining whether there was trademark infringement and unfair competition, We find that the RTC erred in appreciating the evidence presented before it.



It may be true that based on the visuals of the labels, the dominant feature for "GINEBRA KAPITAN" seems to be the mark itself while dominant feature for "GINEBRA S. MIGUEL" is the drawing on the label. On the other hand, We likewise concede that the color of the bottle caps are different and that the labels depict dissimilar 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 for "GINEBRA KAPITAN." However, the confusing similarity cannot simply be made dependent on specific items regarded singularly.

In the case of *In-N-Out Burger, Inc. vs. Sehwanj, Incorporated and/or Benita's Frites, Inc.*,<sup>124</sup> the Supreme Court enumerated and explained the elements of unfair competition as thus:

"X x x

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 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 to defraud need not be shown.** [Emphasis supplied]

X x x"

As aforequoted, the confusing similarity may or may not result from other external factors in the packaging or presentation of the goods. **It can be inferred from the foregoing that the confusing similarity is not solely dependent on the visual packaging or presentation of the goods.** Other factors which could show that there is confusing similarity, such as the widespread association of the mark, "GINEBRA" to GSMI's gin products in this case, should be taken into consideration.

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<sup>124</sup> G.R. No. 179127, 24 December 2008.

There is no dispute that the shapes of the bottles are similar. Even the shapes of the labels are almost, if not totally identical. Looking at the bottles, it becomes apparent that Tanduay has designed its bottle and label to somehow make a colorable similarity with the bottle and label of "GINEBRA S. MIGUEL."

As observed by the Supreme Court in the case of *Birkenstock Orthopaedie GMBH and Co. KG vs. Philippine Shoe Expo Marketing Corporation*,<sup>125</sup> **the test of infringement** as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, [respondent] had to come up with a mark identical or so closely similar to the [petitioner's] if there was no intent to take advantage of the goodwill generated by the [petitioner's] mark.<sup>126</sup>

Moreover, the design of "GINEBRA KAPITAN" conveys the idea that it is indeed a gin product of a different type or flavor manufactured by GSMI but not necessarily a gin produced by Tanduay itself. The reason is simple. **The mere 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."**

In fact, even if We discount the totality of the aural features of the bottles and labels of the competing products, as well as the determination of the dominant feature of the competing marks, the answer would still be the same. The mere use of "GINEBRA" by Tanduay in its "GINEBRA KAPITAN" gin products is trademark infringement by itself.

As held in *McDonald's Corporation v. MacJoy Fastfood Corporation*:<sup>127</sup>

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<sup>125</sup> G.R. No. 194307, 20 November 2013.

<sup>126</sup> *Id.*

<sup>127</sup> G.R. No. 166115, 02 February 2007.

“X x x

**In trademark cases, particularly in ascertaining whether one trademark is confusingly similar to another, no set rules can be deduced because each case must be decided on its merits.** In such cases, even more than in any other litigation, precedent must be studied in the light of the facts of the particular case. That is the reason why in trademark cases, jurisprudential precedents should be applied only to a case if they are specifically in point.<sup>128</sup> [Emphasis supplied]

X x x”

To stress, 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, in particular, “GINEBRA S. MIGUEL.” Thus, it is not difficult to imagine an ordinary purchaser, even one accustomed to drinking gin, being confused into buying a “GINEBRA KAPITAN” thinking it is a “GINEBRA” product of GSMI.

The element of likelihood of confusion is the gravamen of trademark infringement.<sup>129</sup> In *confusion of goods*, the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other.<sup>130</sup> And in the present case, the likelihood of confusion, as explained above, cannot be denied.

On the basis of the foregoing, Tanduay should thus be held liable for trademark infringement and unfair competition.

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<sup>128</sup> *Id.*

<sup>129</sup> *Societes Des Produits Nestle, S.A. vs. Martin Dy, Jr.*, G.R. No. 172276, 08 August 2010.

<sup>130</sup> *Sterling Products International, Inc. vs. Farbenfabriken Bayer Aktiengesellschaft*, G.R. No. L-19906, 30 April 1969.

Corollary to this, Section 157 of Republic Act No. 8293<sup>131</sup> provides:

"X x x

**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.** [Emphasis supplied]

X x x"

Clearly, by reason of the trademark infringement, it is but proper that all goods pertaining to "GINEBRA KAPITAN," including the products itself, the labels and bottles, among others, be delivered up and destroyed in accordance with the aforesaid provision.

In its Complaint, GSMI likewise prayed for the payment of damages pursuant to Section 156 of RA 8293, as well as for the payment of exemplary damages.

To resolve this issue in CA-G.R. SP No. 127255, the Special Former Thirteenth Division of this Court made reference to Section 156 of R.A. No. 8293, which provides:

"X x x

**Section 156. *Actions, and Damages and Injunction for Infringement.*** - 156.1. The owner of a registered mark may

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<sup>131</sup> "R.A. No. 8293," for brevity.

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**. (Sec. 23, first par., R.A. No. 166a; emphasis supplied)

X x x

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**. (Sec. 23, first par., R.A. No. 166; emphasis supplied)

X x x"

We deem it wise just to state the provision of law on the matter and not to touch specifically upon the award of damages, limiting Our discussion on the principal issue relative to Tanduay's liability for unfair competition and trademark infringement. This is because We have to bear in mind the earlier decision rendered by the Former Special Thirteenth Division of this Court in CA-G.R. SP No. 127255, in consonance with the objective of the Fabiana case previously cited on consolidation of cases, *i.e.*, to prevent the issuance of inconsistent rulings on cases with similar parties, factual antecedents and issues, pending before different Divisions of this Court.

**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:

“X x x

**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 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.

X x x<sup>132</sup>

**SO ORDERED.**

**RODIL V. ZALAMEDA**  
Associate Justice

**WE CONCUR:**

**ROMEO F. BARZA**  
Associate Justice

**MARIA ELISA SEMPIO DIY**  
Associate Justice

**CERTIFICATION**

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

**ROMEO F. BARZA**  
Associate Justice  
Acting Chairperson  
Special Sixteenth Division

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<sup>132</sup> *Id.* at 281 to 282.