

GINEBRA SAN MIGUEL, INC.,
Opposer,

-versus-

MIXIMATE INTERNATIONAL INC.,
Respondent-Applicant.

}
}
}
}
}
}
}
}

IPC No. 14-2012-00275
Opposition to:

Appln. Serial No. 4-2009-010063
Date Filed: 05 October 2009

TM: MIGUEL I SOLERA
GRAN RESERVA

X-----X

NOTICE OF DECISION

ANGARA ABELLO CONCEPCION REGALA & CRUZ LAW OFFICES
Counsel for Opposer
22nd Floor, ACCRA Tower, 2nd Avenue corner
30th St., Crescent Park West, Bonifacio Global City, Taguig

OSCAR DIOKNO PEREZ
Counsel for Respondent- Applicant
Suite 313 F & L Centre Building (formerly Aguirre Bldg.,)
2211 Commonwealth Avenue, Quezon City

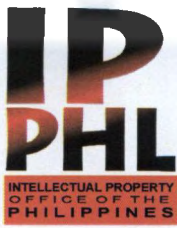
GREETINGS:

Please be informed that Decision No. 2016 - 498 dated 23 December 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 03 January 2017.

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



GINEBRA SAN MIGUEL, INC., }
Opposer, }
 -versus- }
 MIXIMATE INTERNATIONAL INC., }
Respondent-Applicant. }
 x-----x

IPC No. 14-2012-00275
Opposition to:
Application No. 4-2009-010063
Date Filed: 05 October 2009
Trademark: "MIGUEL I SOLERA
GRAN RESERVA"
 Decision No. 2016- 498

DECISION

GINEBRA SAN MIGUEL, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2009-010063. The application, filed by Miximate International, Inc.² ("Respondent-Applicant"), covers the mark "MIGUEL I SOLERA GRAN RESERVA" for use on "wines" under Class 33 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x
 "IV. GROUNDS

"Opposer relies on the following grounds to support its Opposition:

"4.1. The registration of Respondent-Applicant's mark 'MIGUEL I SOLERA GRAN RESERVA' is contrary to Sections 123.1 (d), (e), and (f) of the IP Code which prohibit the registration of a mark that:

x x x

"4.2. Respondent-Applicant's mark 'MIGUEL I SOLERA GRAN RESERVA' is identical with, or nearly resembles, Opposer's 'SAN MIGUEL' family of marks which were used and registered in the Philippines prior to the filing date accorded to Respondent-Applicant's application for the registration of the assailed mark. The identity and striking resemblance between Respondent-Applicant's mark 'MIGUEL I' and Opposer's 'SAN MIGUEL' family of marks are likely to deceive or cause confusion among the relevant sector of the consuming public. Consequently, Opposer is entitled to protection under Section 123.1 (d) (iii) of the IP Code.

"4.3. Opposer's 'SAN MIGUEL' family of marks are well-known and world famous. Respondent-Applicant's use of the 'MIGUEL I' mark on various goods under

¹A corporation organized and existing under the laws of the Philippines with office address at San Miguel Properties Centre, St. Francis Avenue, Mandaluyong City, Metro Manila, Philippines.

²With address on record at 2464 F.B. Harrison Street, Pasay City, Metro Manila, Philippines.

³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

International Class 33, particularly alcoholic drinks, will undoubtedly indicate a connection between Respondent-Applicant's goods and Opposer's products bearing the brand named 'SAN MIGUEL' causing irreparable damage to the latter. Obviously Respondent-Applicant's adoption popularity and goodwill of Opposer's mark 'SAN MIGUEL', thereby causing incalculable and irreparable damage not only to Opposer but the consuming public as well. Accordingly, Respondent-Applicant's mark 'MIGUEL I' mark cannot be allowed to proceed to registration as provided for under Section 123.1 (e) and (f) of the IP Code.

"4.4. Allowing the registration of Respondent-Applicant's 'MIGUEL I' mark will dilute the distinctiveness of Opposer's 'SAN MIGUEL' family of marks.

"V. DISCUSSION

"The 'San Miguel' brand grew out of a family-owned Spanish era distillery which, in 1834, introduced what was to become the company's flagship brand and the largest selling, first-ever Philippine gin in the world- Ginebra San Miguel.

"Opposer's parent company, San Miguel Corporation, has a diversified range of business. Among its core businesses are beverages such as beer, hard liquor, and fruit juices. San Miguel Corporation is also involved in the food and drinks, airline, and agricultural businesses, as well as in packaging.

"In 1986, San Miguel Corporation bought into La Tondena Incorporada (LTI, for brevity), the original owner of the mark 'GINEBRA SAN MIGUEL.' LTI was then renamed as La Tondena Distillers, Inc. (LTDI, for brevity). In March 2003, as a tribute to the then 169-year old gin product 'GINEBRA SAN MIGUEL' - the oldest brand of liquor in the Philippines - the name of the corporation was changed from LTDI to 'Ginebra San Miguel, Inc.'.

"Apart from Opposer, San Miguel Corporation also has the subsidiary San Miguel Brewery, Inc. Said subsidiary has five (5) breweries strategically located across the Philippines and a highly developed distribution system serving approximately 471,000 retail outlets. Among San Miguel Brewery, Inc.'s subsidiary is Iconic Beverages, Inc.

"San Miguel Corporation, San Miguel Brewery, Inc., Iconic Beverages, Inc., the Opposer, and the rest of the San Miguel Group of Companies are the owners of various applications and registrations, locally and abroad, bearing the well-known housemark 'SAN MIGUEL' and its derivatives.

"The San Miguel Group of Companies produces and markets 'SAN MIGUEL' products extensively, such that said brand is now recognized as the world's largest selling brand of alcoholic drink and the third largest distilled spirit in the world, apart from being the Philippines' oldest and leading alcohol brand.

"The San Miguel Group of Companies produces a wide selection of products bearing the house mark 'SAN MIGUEL'. Specifically for alcoholic drinks, below are some of Opposer's and the San Miguel Group of Companies' marks:

x x x

"Further, the 'SAN MIGUEL' mark and its variants have been extensively used and advertised, as well as recognized, locally and abroad, among which are as follows:

"a. In conjunction with the 'G.S.M. BLUE FLAIR IDOL AND DESIGN', nationwide G.S.M. BLUE FLAIR IDOL competition, TV program feature of the 2012 G.S.M. BLUE FLAIR IDOL champion on 29 April 2012 in the 'Good News Episode' episode hosted by ABS-CBN TV Host and News Anchor Ms. Korina Sanchez, TV feature of the 2012 G.S.M. BLUE FLAIR IDOL competition in PTV 4's TV program 'Asenso Pinoy' on 15 April 2012, and extensive advertising campaigns through print media such as newspapers and other print advertisements, as well as on-line blogs and news, and tarpaulin promoting the 2012 G.S.M. BLUE FLAIR IDOL competition.

"b. One of the earliest documented print advertisements caused to be published by GSMI (then LTI) for its 'GINEBRA SAN MIGUEL' gin product appeared in the 12 April 1948 issue of The Manila Times.

"c. Through the years, The San Miguel Group of Companies has extensively advertised the 'SAN MIGUEL' brand for alcoholic drinks, as narrated below:

"c.1. The 'GINEBRA SAN MIGEUL' gin product was featured in the 14 December 1960 issue of the article The Weekly Graphic Magazine, which was entitled 'The La Tondena Story.' The feature showed the sprawling GSMI (then LTI) plant, where the 'GINEBRA SAN MIGEUL' gin product, which was already gaining popularity, was manufactured. In this feature article, the mark of GSMI's (then LTI's) 'GINEBRA SAN MIGUEL' gin product, which was described therein as 'the foremost gin product,' was prominently displayed and repeatedly mentioned therein.

"c.2. The 1960's was witness to the sudden boom in broadcast television. Responding to the potential of this new medium, the San Miguel Group of Companies stepped up their efforts on the television advertising front to solidify their stronghold of the gin drinking market nationwide. By then, an entire generation of Filipinos had already grown up with 'GINEBRA SAN MIGUEL.' The 'Ginebra San Miguel: Ang Inumin ng Tunay na Lalaki' campaign was launched in television during this decade. The central theme that defined the campaign was the celebration of the hallmarks of a true Filipino man - a gentleman and a dignified, hardworking provider.

"c.3. In light of the popularity and success gained at that time by 'GINEBRA SAN MIGUEL' gin products, The Manila Chronicle published a special issue on 31 December 1968 entitled 'The Don Carlos Palanca Story,' which was a tribute to the founder and creator of the 'GINEBRA SAMN MIGEUL'. GSMI's (then LTI's) flagship gin product, 'GINEBRA SAN MIGUEL,' was described in the special issue as 'the oldest brand of local alcohol drink' produced in the Philippines.

"c.4. By the 1970's, television advertising was in full swing. 'GINEBRA SAN MIGUEL' had gone beyond reaching the consumers as still images on print. It had now gone to interact with its target market through the narratives in its television advertisements.

"c.5. The 1970's saw the launch of the 'Ang Ginebrang Tunay na Pilipino' campaign wherein the 'GINEBRA SAN MIGUEL' mark continued to be equated with being truly Filipino. The commercials commended Filipino men who exemplified the

values of being enthusiastic, hardworking and persevering which made them 'true Filipinos'.

"c.6. Taking off from the 'Ang Ginebrang Tunay na Pilipino' theme, the 'Walang Katapat' campaign was launched in the 1980's featuring the popular group 'Hagibis'. The series, which featured the group's members dancing and helping out in the work area of the laborers, fishermen, and farmers signaled to consumers how 'GINEBRA SAN MIGUEL' could and would bring together two entirely different worlds.

"c.7. In 1986, San Miguel Corporation bought into LTI. LTI was then renamed as LTDI. Even then, LTDI continued to manufacture, sell, and market the 'GINEBRA SAN MIGUEL' gin product. To mark this milestone, the 'La Tondena Na, San Miguel Pa' television commercial was launched. There was also

"c.8. By 1986, LTDI was already a member of the Philippine Basketball Association (PBA, for brevity) with its ballclub, 'GINEBRA SAN MIGUEL'. From 1986 to 1998, LTDI advertised 'GINEBRA SAN MIGUEL GIN' and other products through the said team.

"c.9. As a marketing tool, the 'GINEBRA SAN MIGUEL' team doubled 'GINEBRA SAN MIGUEL's' presence in both television and print. With the televised games of the PBA, 'GINEBRA SAN MIGUEL' was on television not only through its television commercials but also through the 'GINEBRA SAN MIGUEL' basketball team. Whenever the team had a game- whether they won or lost -broadsheets would always write about it. Thus, 'GINEBRA SAN MIGUEL' was present on print not only through their print ads but also through sports write-ups about the GINEBRA SAN MIGUEL TEAM. x x x

"c.10. The popularity of 'GINEBRA SAN MIGUEL' team members, past and present - such as Robert 'Sonny' Jaworski, Jaoquin 'Chito' Loyzaga, Marlou Aquino, Mark Caguioa, and Jayjay Helterbrand, among others - has also helped the 'GINEBRA SAN MIGUEL' mark and the gin products bearing said brand gain recognition through such players' endorsement thereof.

"c.11. The 'GINEBRA SAN MIGUEL' team's popularity and following has been so phenomenal that it caught the attention of Fullbright Scholar and author R. Bartholomew in his book entitled 'Pacific Rims' (2010). Bartholomew devotes an entire chapter in his book, which chronicles the Philippines' passion and obsession for basketball, on 'GINEBRA SAN MIGUEL.' A chapter of his book opens with a description of the 'GINEBRA SAN MIGUEL' crowd as the PBA's most intimidating force and how a team going against 'GINEBRA SAN MIGUEL' was akin to a 'team versus the Philippines.' Bartholomew's discussion on how the 'GINEBRA SAN MIGUEL' team grew to become the force it is today and how it carried the gin product and the mark to greater heights is a testament to the iconic status enjoyed by the 'SAN MIGUEL' mark among the Philippine gin-drinking public, and even the entire country.

"c.12. Following the economic downturns and employment decline of the 1980's, 'GINEBRA SAN MIGUEL' continued its journey with the Filipinos in the early 1990's by re-interpreting the 'Never Say Die' attitude. This mindset of going against all odds to make things work was central in its series of advertisements under the themes 'Kasama Mo Lalo Na Ngayon; and 'Ikaw at Ginebra....Magkasangga'. The focus of these campaigns was the brand 'GINEBRA SAN MIGUEL' as they showcased the said word as

the dominant feature of the mark. Hence, reference to the applicant's gin products as 'GINEBRA SAN MIGUEL' grew more prominent at this point in time due to the extensive references to the product solely as 'GINEBRA' or 'G.S.M.'

"c.13. By 1993, the 'GINEBRA SAN MIGUEL' mark was already the main focus of the marketing and advertising campaigns of LTDI. The 'Saan Ka Man Mapunta; Ginebra!' campaign was launched to reassure the working Filipino that wherever he was that his life took him, 'GINEBRA SAN MIGUEL' would always be his constant 'comparison.'

"c.14. Even then, 'GINEBRA SAN MIGUEL' was fiercely protective of the equity it possessed. It released an advertisement in the 1990's dispelling doubts as to the true 'king' of the gin market. There was also the advertising campaigns: 'Isa lang ang Ginebra: Ginebra San Miguel! Ginebra ang Hari!' (1992-1995) and 'Paborito ng Bayan, Ginebra San Miguel' (1990's).

"c.15. In March 2003, as a tribute to the then 169-year old gin product 'GINEBRA SAN MIGUEL' - the oldest brand of liquor in the Philippines - the name of the corporation was changed from LTDI to 'Ginebra San Miguel, Inc.'

"c.16. Since changing its name in 2003, or for over seven (7) years, GSMI has been using 'Ginebra San Miguel, Inc.' as its business and trade name, using the same on all its 'GINEBRA SAN MIGUEL' gin products to indicate the Opposer as their manufacturer. In 2004, the following advertising campaign was launched: 'Ginebra San Miguel 'to Pare'.

"c.17. In fifty (50) years' worth of 'GINEBRA SAN MIGUEL' television commercials, 'GINEBRA SAN MIGUEL' has celebrated practically all aspects of the Filipino man's life: as a friend, son, husband and father. 'GINEBRA SAN MIGUEL' was there for him when he was in jubilation as when he was desperate and on his knees. 'GINEBRA SAN MIGUEL's' iconic status cannot be denied amidst its consistent and effective re-interpretation of its 'never-say-die' myth. 'GINEBRA SAN MIGUEL's' spirit permeates everything that the mark is attached to, which is an all-out showcase of the gritty battle it fought to become the iconic brand that it is today.

"c.18. Today, the San Miguel Group of Companies, including the Opposer, continue to sell their 'GINEBRA SAN MIGUEL' gin product and its variants. The San Miguel Group of Companies, including the Opposer, has likewise boosted its efforts to promote and market its 'GINEBRA SAN MIGUEL' gin product and related services. Throughout the years, the San Miguel Group of Companies, including the Opposer, have used a plethora of promotional tools and advertising materials, such as but not limited to: (a) 'Sonny' Jaworski, Mr. Manny Pacquiao, and Mr. Ramon 'Bong' Revilla, Jr.; (b) print advertisements, as well as television and radio commercials and plug-ins; (c) promotional gimmicks and contests; (d) calendars; (e) merchandise items such as caps, lighters, and t-shirts; (f) advertisements through buses and other conveyances; and (g) a compact disk compilation of 'GINEBRA SAN MIGUEL'- themed songs. All of these said promotional materials featured the 'SAN MIGUEL' product brand.

"As a result of such long and extensive commercial use, the San Miguel Group of Companies and the Opposer have acquired substantial goodwill and reputation over the 'SAN MIGUEL' brand. From 2001 to June 2006, a total of 134,006,821 cases of gin and liquor products bearing the applicant's 'SAN MIGUEL' brand were sold to the local

consuming public. In support thereof, copies of the following documents are attached hereto, to wit: x x x

"Based on the San Miguel Group of Companies' and Opposer's sales, advertisements, awards, and prestige, it is clear that the 'SAN MIGUEL' house mark has acquired substantial goodwill and reputation over the years, elevating them to the level of highly regarded and well-known marks as a result of the extensive advertising/promotional activities, coupled with the continuous use of the said marks.

"Moreover, the San Miguel Group of Companies, including the Opposer, maintains various websites featuring its G.S.M. products and services, to wit:

- "a. <http://www.sanmiguel.com.ph>
- "b. <http://ginebrasanmiguel.com>

"Apart from the extensive use and advertising narrated above, for its alcoholic drinks and other products bearing the 'SAN MIGUEL' mark and its variants, Opposer and the San Miguel Group of Companies were awarded the following recognition, among others:

x x x

The totality of the foregoing clearly establishes the fact that the 'SAN MIGUEL' family of marks has been long and extensively used/advertised locally and abroad, making the said brand well-known. Allowing the registration of the opposed mark will thus cause confusion, to the great prejudice and damage of the Opposer and the public, as well as dilute the distinctiveness of said mark.

"Considering the well-known status of the family of marks bearing the 'SAN MIGUEL' brand, whether used on alcoholic beverages or otherwise, the general public, both here and abroad, has come to relate all products bearing the 'SAN MIGUEL' brand to San Miguel Corporation and its related companies, such as herein Opposer. Verily, all marks that pose a likelihood of confusion with the 'SAN MIGUEL' brand, such as that of Respondent-Applicant's, will deceive the public into thinking that its goods are sourced from or approved by

"That Respondent-Applicant's 'SOLERA I' mark creates a likelihood of confusion when compared to Opposer's 'SAN MIGUEL' mark is shown by the comparative table below: x x x

"Considering that the phrase 'SOLERA GRAN RESERVA' was disclaimed by Respondent-Applicant, it is admitted by Respondent-Applicant itself that the said generic phrase cannot catch the attention of the public and, thus, cannot be considered part of the dominant portion of the Respondent-Applicant's mark.

"Thus, Respondent-Applicant's mark 'MIGUEL I', when compared with Opposer's 'SAN MIGUEL' mark, clearly causes the term 'MIGUEL' to stand out giving rise to a likelihood of confusion.

"In fact, the 'SAN MIGUEL' mark has been used where even the word 'SAN' has been abbreviated to 'S', knowing that even the word 'MIGUEL' alone is used by the San Miguel Group of Companies. Consequently, consumers clearly associate even the term 'MIGUEL' to Opposer and the San Miguel Group of Companies.

"Consumers have also become familiar with the abbreviation of 'SAN MIGUEL CORPORATION' to 'SMC' as well as the abbreviation of 'GINEBRA SAN MIGUEL' to 'GSM'. Such is the strength of the 'SAN MIGUEL' brand that even abbreviations of its variations are recognized by the consuming public.

"In light of Opposer's long and worldwide presence, it is really inconceivable how Respondent-Applicant could have independently created with the mark 'MIGUEL I' for alcoholic drinks without Opposer's 'SAN MIGUEL' mark, and shows Opposer's obvious intent to ride upon the goodwill established by the San Miguel Group of Companies, including the Opposer.

"Apart from visual similarity, the Supreme Court, as in the case of *Marvex Commercial Co. Inc. v. Petra Hawpia & Co.*, also uses the *idem sonans* test in determining the presence of likelihood of confusion.

"Excluding the generic terms in Respondent-Applicant's mark (i.e., 'SOLERA GRAN RESERVA'), Respondent-Applicant's mark is pronounced as 'mi' - 'gel' - 'wan' or 'one'. This is a mere-arrangement of the similar, if not identical, syllables and phonetics used in Opposer's mark which is pronounced as 'san' - 'mi' - 'gel'.

"Evidently, Respondent-Applicant merely placed the term 'I' at the end to include an additional component in the hopes of distinguishing its mark from Opposer's 'SAN MIGUEL' mark. However, such 'minor' changes in Opposer's mark only reveal the intent of Respondent-Applicant to associate itself with Opposer's famous 'SAN MIGUEL' family of marks.

"In fact, Respondent-Applicant's addition of the generic terms 'SOLERA GRAN RESERVA' further shows its attempt to introduce minute yet inconsequential differences to its mark, a practice resorted to by infringers. The Bureau of Trademarks, however, correctly required the disclaimer of said phrase.

"Further increasing the likelihood of confusion is the fact that the contending marks not only cover goods that are under the same Class, i.e., Class 33, but also identical goods, i.e., alcoholic drinks.

"A similarity of sound is sufficient ground for the Court to rule that the two marks are confusingly similar when applied to merchandise of the same descriptive properties', it is thus respectfully submitted that this Honorable Office reject Opposer's application and not allow itself to be used as a tool by unscrupulous business enterprise who merely wish to ride on the popularity and goodwill painstakingly established by honest and legitimate entities such as herein Opposer.

"The name 'SAN MIGUEL' is proprietary to the Opposer and the San Miguel Group of Companies, the same being an essential part of their business name as exemplified by the following corporations under the San Miguel Group of Companies.

x x x

"Following the Supreme Court's ruling in the case of *Coffee Partners, Inc. v. San Francisco Coffee & Roastery, Inc.*, the trade name 'SAN MIGUEL' used by the San Miguel Group of Companies should be protected by this Honorable Office through the

rejection of Respondent-Applicant's trademark application for the registration of the confusingly similar mark 'MIGUEL I'.

"All said, this Honorable Office need only refer to the Super Court's instruction ruling in the case of Kalaw Ng Khe v. Lever Brothers Co. where it said:

x x x

The Opposer's evidence consists, among others, of Opposer's/San Miguel Corporation's Annual Report for the fiscal year ended 31 December 2007 showing its company profile, corporate structure, businesses, product list; the Annual Report for the fiscal year ended 31 December 2010 showing its consolidated financial statements; a copy of Opposer's quarterly report for the period ended 30 September 2011; a copy of the CD showing "Good News Episode" hosted by ABS-CBN TV Host and News Anchor Ms. Korina Sanchez; a copy of the CD showing 2012 G.S.M. BLUE FLAIR IDOL competition in PTV 4's TV program 'Asenso Pinoy' on 15 April 2012; newspaper articles featuring the "G.S.M. BLUE FLAIR IDOL AND DESIGN" mark and competition; a copy of the tarpaulin promoting the 2012 G.S.M. BLUE FLAIR IDOL competition; a copy of the 12 April 1948 issue of The Manila Times containing the advertisement entitled 'Tops Ginebra San Miguel'; a print-out of the website of <http://www.sanmiguel.com.ph>; a print-out of the extract from the web-site of <http://ginebrasanmiguel.com>; print-out copy of the webpage <http://www.sanmiguelbrewery.com.ph/corporate.html> showing the company profile of San Miguel Brewery, Inc.⁴

Should the Respondent-Applicant be allowed to register the trademark MIGUEL I SOLERA GRAN RESERVA?

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 23 October 2012. The Respondent-Applicant, however, did not file an Answer.

The Opposer anchors its opposition on Sections 123.1, paragraphs (d), (e) and (f), Section 147.1 and 147.2, Section 165 and Section 168.1 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

Sec. 123.Registrability. - 123.1. A mark cannot be registered if it:

x x x

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of :

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;"



⁴Marked as Exhibits "1" and "34", inclusive.

- (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 service 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;

Records show that at the time the Respondent-Applicant filed his trademark application on 05 October 2009, the Opposer has existing trademark registrations for SAN MIGUEL marks and its variants. Opposer's registration for the mark SAN MIGUEL PALE PILSEN & LABEL DESIGN under Trademark Reg. No. 4-1994-93153 was filed on 17 February 1994. The said registration covers "beer, ale, lager, pilsen/pilsener, pils, stout, bock and shandy" in Class 33. This Bureau noticed that the goods covered by the Respondent-Applicant's trademark application is identical or closely-related to the Opposer's.

A comparison of the competing marks reproduced below:



Opposer's trademark

MIGUEL I
SOLERA GRAN RESERVA

Respondent-Applicant's mark

shows that confusion is likely to occur. Even with the accompanying letter "I" and the disclaimed words SOLERA GRAN RESERVA below the word/s MIGUEL I, to the Bureau's mind, top of the mind recall would be the word MIGUEL. The distinctive feature of the Opposer's mark is the word MIGUEL, which was appropriated by the Respondent-Applicant. Thus, MIGUEL I SOLERA GRAN RESERVA is confusingly similar to Opposer's SAN MIGUEL marks. Because the Respondent-Applicant's

trademark application covers goods that are similar and/or closely related to the Opposer's in Class 33, it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.⁵

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁶

Opposer proved that it is the originator of the SAN MIGUEL marks, using these marks primarily for alcoholic drinks and beverages. In fact, Opposer has been using SAN MIGUEL not only as a trademark but also as trade name or business name. As a trade name, SAN MIGUEL is protected under Section 165 of the IP Code, to wit:

Sec. 165. *Trade Names or Business Names.* - 165.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

165.2.(a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, 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, likely to mislead the public, shall be deemed unlawful.

⁵ *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

⁶ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Eihepa v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

165.3. The remedies provided for in Sections 153 to 156 and Sections 166 and 167 shall apply mutatis mutandis.

165.4. Any change in the ownership of a trade name shall be made with the transfer of the enterprise or part thereof identified by that name. The provisions of Subsections 149.2 to 149.4 shall apply mutatis mutandis.

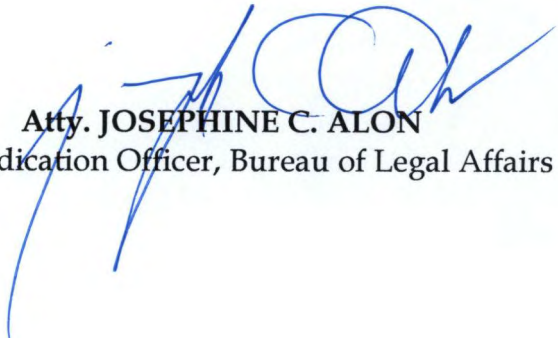
Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁷

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2009-010063 is hereby SUSTAINED. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 23 DEC 2016.


Atty. JOSEPHINE C. ALON
Adjudication Officer, Bureau of Legal Affairs

⁷ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.