

## **SPECIAL SIXTEENTH DIVISION**

**[ CA-G.R. CV NO. 100332, November 07, 2014 ]**

**GINEBRA SAN MIGUEL, INC., PLAINTIFF-APPELLANT, VS.  
TANDUAY DISTILLERS, INC., DEFENDANT-APPELLEE.**

### **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 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>

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.      7484 (Supplemental Register)  
                 No.:      18 September 1986  
                 Reg.      Twenty years, or until 18 September  
                 Date:      2006  
                 Term:      01 December 1943  
                 Date of  
                 First  
                 Use:
- (ii)      Mark:      GINEBRA SAN MIGUEL (word mark)  
                 Reg.      42568  
                 No.:  
                 Reg.      19 January 1989  
                 Date:  
                 Term:      Twenty years, or until 19 January 2009  
                 Date of 01 December 1945  
                 First  
                 Use:
- (iii)      Mark:      GINEBRA S. MIGUEL 65  
                 Reg.      53668  
                 No.:  
                 Reg.      13 October 1992  
                 Date:  
                 Term:      Twenty years, or until 13 October 2012  
                 Date of 09 May 1990  
                 First  
                 Use:
- (iv)      Mark:      GINEBRA SAN MIGUEL  
                 Reg.      001389  
                 No.:  
                 Reg.      13 October 1993  
                 Date:  
                 Term:      Twenty years, or until 13 October 2013  
                 Date of 05 April 1949  
                 First  
                 Use:
- (v)      Mark:      LA TONDEÑA CLIQ! GINEBRA MIX &  
                 STYLIZED LETTERS LTD. WITH CROWN  
                 DEVICE  
                 Reg.      41996113597

No.:  
Reg. 13 October 1993  
Date:  
Term: Twenty years, or until 23 July 2021  
Date of 04 September 1996  
First  
Use:

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 "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, Tanduay 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>

In his Affidavit,<sup>[24]</sup> Bugia, Tanduay's General Services Manager, averred that Tanduay 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: Tanduay Distillers, Inc.

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

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

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

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

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

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"[26]

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"[27]

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.