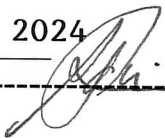


THIRD DIVISION

G.R. Nos. 264919-21 – GLORIA MARIS SHARK’S FIN RESTAURANT, INC., Petitioner, v. PACIFICO Q. LIM, Respondent.

Promulgated:

May 20, 2024 

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SEPARATE CONCURRING OPINION

DIMAAMPAO, J.:

I concur in the cancellation of the Certificates of Registration of the Gloria Maris trademarks under the name of Pacifico Q. Lim (respondent).

However, I would like to express my reservations and expound on the legal significance of the *ponencia*’s statement that the registration of a trademark in bad faith is considered as unfair competition. The pertinent portion of the Decision reads:

Since there was already a plan for a Chinese restaurant to be named “Gloria Maris” and to be renovated at the CCP area when Lim engaged the services of Rodrig[u]ez, Lim’s claim that he thought of the name beggars belief.

Therefore, even assuming that the Court does not admit the evidence submitted by Gloria Maris which were presented for the first time on appeal, the Court is still left with the Certificate of Registration to rely on. It is worth repeating that Gloria Maris was incorporated in 1994. Since its incorporation, it has been using the name “Gloria Maris” for its fine-dining Chinese restaurant. It was only more than 10 years thereafter when Lim registered the questioned trademarks. As will be further discussed later, several circumstances clearly show that Lim registered the subject marks in bad faith, with prior active knowledge of its long-term use by Gloria Maris.

A trademark registered in bad faith is considered as unfair competition under the IP Code:

SEC. 168. Unfair Competition, Rights, Regulation and Remedies.

168.2. Any person who shall employ deception or any other means contrary to good faith by which he shall pass off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce said result, shall be guilty of unfair competition, and shall be subject to an action therefor.¹ (Underscoring supplied.)

¹ Ponencia, pp. 10-11.



In my humble view, the distinctions between the registration of a trademark in bad faith and the commission of unfair competition are well-settled and must not be blurred.

The *ponencia* itself notes that bad faith in the context of trademark registration is defined under case law as knowledge by the registrant of the prior creation, use and/or registration by another of an identical or similar trademark.² The remedy provided by the Intellectual Property Code (IP Code) in such cases is found under Section 151 thereof, which allows the filing of a petition to cancel a registration of a mark at any time with the Bureau of Legal Affairs (BLA) of the Intellectual Property Office.

In contrast, unfair competition was described by the Court as follows:

Unfair competition is defined as the passing off (or palming off) or attempting to pass off upon the public of the goods or business of one person as the goods or business of another with the end and probable effect of deceiving the public. This takes place where the defendant gives his goods the general appearance of the goods of his competitor with the intention of deceiving the public that the goods are those of his competitor.³

The penalty, in turn, is provided under Section 170 of the IP Code, which states:

Penalties. — Independent of the civil and administrative sanctions imposed by law, a criminal penalty of imprisonment from two (2) years to five (5) years and a fine ranging from Fifty thousand pesos (P50,000) to Two hundred thousand pesos (P200,000), shall be imposed on any person who is found guilty of committing any of the acts mentioned in Section 155, Section 168 and Subsection 169.1.

Consistent with the above disquisitions, the following pronouncements of the Court in *Zuneca Pharmaceutical v. Natrapharm, Inc.*⁴ recognizes that the two infractions are indeed separate, albeit sharing the element of bad faith *viz.:*

To emphasize, the presence of bad faith alone renders void the trademark registrations. Accordingly, it follows as a matter of consequence that a mark registered in bad faith shall be cancelled by the IPO or the courts, as the case may be, after the appropriate proceedings.

This concept of bad faith, however, does not only exist in registrations. To the mind of the Court, the definition of bad faith as knowledge of prior creation, use and/or registration by another of an identical or similar trademark is also applicable in the use of trademarks without the benefit of registration. Accordingly, such bad faith use is also

² *Id.* at 11-12, citing *Lim v. See*, G.R. No. 193569, January 25, 2023 [Per J. J. Lopez, Second Division].

³ *Co v. Spouses Yeung*, G.R. No. 212705 (Resolution), September 10, 2014 [Per J. Perlas-Bernabe, First Division].

⁴ G.R. No. 211850, September 8, 2020 [Per J. Caguioa, *En Banc*].



appropriately punished in the IP Code as can be seen in its unfair competition provisions.⁵ (Underscoring supplied.)

Taking these nuances into account, the aforecited statement of the *ponencia* should not be interpreted to mean that registration of a trademark in bad faith *ipso facto* translates to a finding of unfair competition, and *vice versa*. Lest it be misconstrued, acknowledging these differences does not mean that the two violations should now be deemed mutually exclusive, such that the imposition of liability for one prevents a similar ruling *vis-a-vis* the other. Instead, this only accentuates the legal notion that each infraction must be analyzed according to the specific provision applicable thereto—a postulation which is supported by the final disposition of the controversy.

Here, the factual antecedents demonstrate that the petitions before the BLA were filed for the purpose of cancelling of Trademark Registration Nos. 4-2004-009149, 4-2004-009150, and 4-2004-009151.⁶ Verily, the issue in this dispute was solely confined to the “propriety of [respondent’s] registration of the subject marks.”⁷ The discussion on unfair competition thus appears to be a surplusage since respondent was not accused of passing off any goods or business *of another* with the end and probable effect of deceiving the public—the parties, after all, are laying their respective claim to the same marks of the same business. In short, respondent was not referred to as a competitor of Gloria Maris Shark’s Fin Restaurant, Inc. in this case.

Apropos, the ultimate remedy granted, which in my view was correctly accorded, is confined to the cancellation of the certificates under respondent’s name.⁸ No relief addressing any supposed commission of unfair competition was awarded, consistent with the fact that such specific violation does not appear to have been raised as an issue in the present proceedings.

Upon the foregoing disquisitions, I submit that the declaration that “a trademark registered in bad faith is considered as unfair competition”⁹ should not be regarded as a doctrinal pronouncement, given that the same was not necessary for the complete resolution of the instant controversy. As earlier intimated, nonetheless, I reiterate my concurrence in the result of the case.

All told, I vote for the grant of the Petition for Review on *Certiorari*.


JAPAR B. DIMAAMPAO
Associate Justice

⁵ *Id.*

⁶ *Ponencia*, p. 3.

⁷ *Id.* at 8.

⁸ *Id.* at 13-14.

⁹ *Id.* at 11.