

96 Phil. 673

[G.R. No. L-6235. March 28, 1955]

ONG AI GUI ALIAS TAN AI GUI, APPLICANT AND PETITIONER, VS. THE DIRECTOR OF THE PHILIPPINES PATENT OFFICE, RESPONDENT. E.I. DU PONT DE NEMOURS AND COMPANY, INTERVENOR.

D E C I S I O N

LABRADOR, J.:

On November 8, 1948, Ong Ai Gui *alias* Tan Ai Gui filed an application (No. 803) with the Director of Patents for the registration of the following trade-name: "20th Century Nylon Shirts Factory." It is stated in connection with the application that the trade-name was used for the first time by the applicant on September 12, 1941 for his business described as follows: "General merchandise dealing principally in textiles, haberdasheries; also operating as manufacturer of shirts, pants and other men's and women's wears." Upon the filing of the application, the same was referred by the Director to an examiner. The latter in a report dated August 18, 1950 held that the words "shirts factory" are not registrable; so the applicant made a disclaimer of said words (shirts factory) inserting a statement to that effect in his original application. On August 13, 1951 the Director ordered the publication of the trade-name in the *Official Gazette*.

Publication was made but before the expiration of the period for filing opposition, Atty. J. A. Wolfson, on behalf of E. I. Du Pont de Nemours and Company, presented on February 27, 1952, an opposition on the ground that the word "nylon" was a name coined by E. I. Du Pont de Nemours and Company as the generic name of a synthetic fabric material, invented, patented, manufactured and sold by it and that' this word is a generic term; that the use of the name "nylon" is descriptive or deceptively misdescriptive of the goods, business of manufactures of the applicant; that the use of the name would produce confusion

in trade and would deceive the public; and that "nylon" is not distinctive of applicant's goods; business and manufactures and applicant does not claim that it has so become. This opposition, however, was dismissed by the Director on the ground that at the time it was submitted Atty. J. A. Wolfson did not have, nor did he submit, authority to file it (opposition) in the corporate name, and that the subsequent authorization from the corporation to that effect did not cure the general defect in the opposition.

But while he dismissed the opposition, the Director ruled that the application must be disapproved unless the word "nylon" is also disclaimed. The grounds for the disapproval of the application were as follows:

"Nylon" is merely descriptive of the business of shirt-making if the shirts are made of nylon. It is deceptively misdescriptive of said business, if the shirts are not made of nylon. In either case, its registration in the Principal Register as a trade-name, or as a part of a trade-name, is expressly forbidden by subsection (e) of Section 4 of Republic Act No. 166, as amended by Section 2 of Republic Act No. 638.

* * * * *

"But even if the trade-name here in question were applied for under the said subsection (f), "Nylon" would still have to be disclaimed. Used in connection with shirt-making, "Nylon" can never become distinctive, can never acquire secondary meaning, because it is a generic term, like cotton, silk, linen, or ramie. Just as no length of use and no amount of advertising will make "cotton," "silk," "linen," or "ramie," distinctive of shirts or of the business of making them, so no length of use and no amount of advertising will make "nylon" distinctive of shirts or of the business of manufacturing them."

Against the above decision applicant has filed an appeal to this Court. During the pendency of this appeal, E. I. Du Pont de Nemours and Co. filed a petition to intervene, which petition was granted. It has also, through counsel, filed a brief answering the arguments of the applicant-appellant and supporting the decision appealed from.

There are two main questions raised in the appeal, one legal and the other procedural. The legal question is put up by the claim of the applicant-appellant that while he admits that the term "nylon" is by itself alone descriptive and generic, what he desires to register is not the said word alone but the whole combination of "20th Century Nylon Shirts Factory." It is to be noted in answer to this contention that the Director of Patents has not completely denied the registration of the whole trade-name. He has made a conditional denial only, permitting the registration of the name but with the disclaimer of the terms "shirt factory" and "nylon." The import of the decision is that the trade-name may be registered, but applicant-appellant may not be entitled to the exclusive use of the terms "shirts factory" and "nylon" as against any other who may subsequently use the said terms, for the latter are merely descriptive or general terms, *juris publici*, incapable of appropriation by any single individual to the exclusion of others. This is supported by reason and authority.

"A word or a combination of words which is merely descriptive of an article of trade, or of its composition, characteristics, or qualities, cannot be appropriated and protected as a trademark to the exclusion of its use by others. The reason for this is that inasmuch as all persons have an equal right to produce and vend similar articles, they also have the right to describe them properly and to use any appropriate language or words for that purpose, and no person can appropriate to himself exclusively any word or expression, properly descriptive of the article, its qualities, ingredients, or characteristics, and thus limit other persons in the use of language appropriate to the description of their manufactures, the right to the use of such language being common to all. This rule excluding descriptive terms has also been held to apply to trade-names. As to whether words employed fall within this prohibition, it is said that the true test is not whether they are exhaustively descriptive of the article designated, but whether in themselves, and as they are commonly used by those who understand their meaning, they are reasonably indicative and descriptive of the thing intended. If they are thus descriptive, and not arbitrary, they cannot be appropriated from general use and become the exclusive property of anyone." (52 Am. Jur. 542-543.)

“* * * If the trade-name consists of a descriptive word, no monopoly of the right to use the same can be acquired. This is but a corollary of the proposition that a descriptive word cannot be the subject of a trade mark. G. & C. Merriam Co. vs. Saalfield (C.C.A.) 198 F. 369. Others may use the same or similar descriptive word in connection with their own wares, provided they take proper steps to prevent the public being deceived.” * * *. (Richmond Remedies Co. vs. Dr. Miles Medical Co., 16 E. (2d) 598.)

“* * * The so-called descriptive terms, which may be used to describe the product adequately, can not be monopolized by a single user and are available to all. It is only natural that the trade will prefer those marks which bear some reference to the article itself. Therefore, even those descriptive marks which are distinctive by themselves can be appropriated by others with impunity. A descriptive word may be admittedly distinctive, especially if the user is the first creator of the article. It will, however, be denied protection, not because it lacks distinctiveness, but rather because others are equally entitled to its use.” * * *. (2 Callman. Unfair Competition and Trade Marks, pp. 869-870.)

The claim that a combination of words may be registered as a trade-name is no justification for not applying the rules or principles hereinabove mentioned. The use of a generic term in a trade-name is always conditional, i. e., subject to the limitation that the registrant does not acquire the exclusive right to the descriptive or generic term or word.

“* * * A combination of marks or words may constitute a valid trademark or (in the case of words) a tradename even though some of the constituent portions thereof would not be subject, separately, to exclusive appropriation as such. Thus, although a word may be descriptive and not subject to exclusive use as a trademark, it may properly become the subject of a trademark by combination with another word or term which is nondescriptive, although no exclusive right to the descriptive word or term is created” * * *. (52 Am. Jur. 553.)

The citation of appellant himself supports the decision thus: “* * * although

perhaps not entitled to protection against infringement by the use of the descriptive matter by another.” (Frost vs. Rindskopt, 42 Fed. 408.)

It must also be noted that no claim is made in the application that the trade-name sought to be registered has acquired what is known, as a secondary meaning within the provisions of paragraph (f) of section 4 of Republic Act No. 166. All that the applicant declares in his statement accompanying his application is that the said trade-name has been continuously used by it in business in the Philippines for about seven years, without allegation or proof that the trade-name has become distinctive of the applicant’s business or services. Furthermore, the use of the term “nylon” in the trade-name is both “descriptive” and “deceptively and misdescriptive” of the applicant-appellant’s business, for apparently he does not use nylon in the manufacture of the shirts, pants and wears that he produces and sells. How can a secondary meaning be acquired if appellant’s products are not made of nylon? Certainly no exclusive right can be acquired by deception or fraud.

The procedural question arises from the fact that after the Director had ordered publication and notwithstanding dismissal of an opposition, the Director nevertheless conditionally denied the application after its publication and failed to give applicant opportunity for a hearing, as specifically required by section 7 of Republic Act No. 166.

It is argued that after approval of the findings of the commissioner to whom the application is referred and giving of the order of publication, it becomes the ministerial duty of the Director to issue the corresponding certificate of registration and that his power is confined to this issuance alone. The answer to this argument is the fact that the law allows oppositions to be filed after publication, thus:

“Sec. 8. *Opposition.*—Any person who believes that he would be damaged by the registration of a mark or trade-name may, upon payment of the required fee and within thirty days after the publication under the first paragraph of section seven hereof, file with the Director an opposition to the application. Such opposition shall be in writing and verified by the oppositor, or by any person on his behalf who knows the facts, and shall specify the

grounds on which it is based and include a statement of the facts relied upon. Copies of certificates of registration of marks or trade-names registered in other countries or other supporting documents mentioned in the opposition shall be filed therewith, together with the translation thereof into English, if not in the English language. For good cause shown and upon payment of the required surcharge, the time for filing an opposition may be extended for an additional thirty days by the Director, who shall notify the applicant of such extension.” (Republic Act No. 166.)

Of what use is the period given to oppositors to register their oppositions if such oppositions are not to be given consideration at all, because the Director has only the ministerial duty after publication to issue the certificate of registration? It will be noted that there are two steps in the proceedings for the approval of an application for registration; the first is that conducted in the Office of the Director and taking place prior to publication, and the second, that conducted after publication, in which the public is given the opportunity to contest the application. In the first, the application is referred to an examiner, who, after study and investigation makes a report and recommendation to the Director who, upon finding that applicant is entitled to registration, orders publication of the application. (Sec. 7, Rep. Act No. 166.) If he finds that applicant is not entitled to registration, he may then and there dismiss the application. In the second, opportunity is offered the public or any interested party to come in and object to the petition (Sec. 8, *Id.*), giving proofs and reasons for the objection, applicant being given opportunity also to submit proofs or arguments in support of the application. (Sec. 9, *Id.*) It is the decision of the Director, given after this hearing, or opportunity to every interested party to be heard, that finally terminates the proceedings and in which the registration is finally approved or disapproved. Thereafter, notice of the issuance of the certificate of registration is published. (Sec. 10, *Id.*)

It is evident that the decision of the Director after the first step, ordering publication, can not have any finality. Of what use is the second step in the proceedings, if the Director is bound by his first decision, giving course to the publication? His first decision is merely provisional, in the

sense that the application appears to be meritorious and is entitled to be given course leading to the more formal and important second step of hearing and trial, where the public and interested parties are allowed to take part.

The argument that the Director failed to comply with paragraph 2 of section 7, Republic Act No. 166 cannot be raised in the case at bar, because the Director did not find that the applicant is not entitled to registration. He actually found that he is entitled to registration and that is why an order for the publication of the application was issued. How can the Director comply with the provisions of said paragraph 2 if he did not disapprove the applicant's petition for registration?

We, therefore, find that the errors assigned in the appeal have not been committed by respondent Director of Patents. His decision is hereby affirmed, with costs against the applicant-appellant.

Paras, C.J., Pablo, Bengzon, Padilla, Reyes, A., Jugo, Bautista Angelo, Concepcion and Reyes, J.B.L., JJ., concur.

Decision of the Director of Patents affirmed.
