

Title:

Del Monte Corporation and Philippine Packing Corporation vs. Court of Appeals and Sunshine Sauce Manufacturing Industries (Infringement of Trademark and Unfair Competition)

Facts:

Del Monte Corporation, a US-based entity, and its Philippine subsidiary Philippine Packing Corporation (Philpack) granted exclusive rights to manufacture and sell Del Monte products within the Philippines, including catsup. Del Monte authorized Philpack to register the Del Monte catsup bottle and trademark with the Philippine Patent Office, which they did on different occasions. Sunshine Sauce Manufacturing Industries, a competitor, used a similar bottle and a logo potentially confusing to Del Monte's for its own sauces.

Despite warnings from Philpack, Sunshine continued these practices, prompting Del Monte and Philpack to file a complaint over trademark infringement and unfair competition, seeking damages and injunctive relief. Sunshine defended that their practices ceased and their logo was dissimilar from Del Monte's.

The Regional Trial Court of Makati dismissed the complaint, stating differences between the logos, cessation of using Del Monte's bottles, ownership of bottles upon purchase from junk shops, and lack of malice or bad faith by Sunshine. The Court of Appeals affirmed the trial court's decision, prompting the petitioners' appeal to the Supreme Court via a petition for certiorari under Rule 45.

Issues:

The Supreme Court was asked to decide on the following issues:

1. Whether Sunshine's use of similar labels and the Del Monte bottle configuration constituted infringement of Del Monte's trademark.
2. Whether Sunshine's actions constituted unfair competition as per R.A. No. 166 or the Trademark Law.

Court's Decision:

The Supreme Court reversed the appellant court's decision, finding that:

1. Sunshine's label was a colorable imitation of Del Monte's and thus constituted trademark infringement due to likely confusion among customers.
2. Sunshine's use of Del Monte bottles, which involved no effort to differentiate from Del Monte's original bottles, and intent to deceive, constituted unfair competition.

3. Despite the infringement and unfair competition, Del Monte's claim for damages was denied due to a lack of evidence of actual damage, but nominal damages were awarded based on Article 2222 of the Civil Code.

**Doctrine:**

In cases of trademark infringement, the use of a trademark without the owner's consent that is likely to cause confusion regarding the goods' source constitutes infringement, regardless of the intent to deceive. In unfair competition, the intent to deceive is essential, and giving goods the appearance of another's goods for misleading the consumer is prohibited. Registration in the Supplemental Register does not confer legal exclusivity of the mark.

**Class Notes:**

- Trademark infringement occurs even without fraudulent intent and requires prior registration of the trademark.
- Unfair competition requires a deceptive intent to pass off goods as those of another and does not require registration.
- Well-established brand names are protected against newcomers using similar marks to avoid confusion.
- Nominal damages can be awarded in cases where property rights are invaded but actual damages are not proven.

**Historical Background:**

The case took place in the context of international relations where both the Philippines and the United States were signatories to an international convention protecting trademarks. This decision reflects the Philippines' adherence to international commitments as well as its dedication to safeguarding intellectual property rights within its jurisdiction.