

DEWEY SDN. BHD.,
Complainant,

-versus-

DOLE PHILIPPINES, INC.,
Respondent.

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} IPV No. 10-2013-00030
}
}
} For: Unfair Competition and
} Damages with Prayer for
} Issuance of Temporary
} Restraining Order and/or Writ
} of Preliminary Injunction
}
}
}

NOTICE OF DECISION

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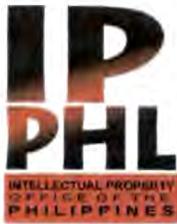
GREETINGS:

Please be informed that Decision No. 2016 - 17 dated November 07, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, November 07, 2016.

For the Director:

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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INJUNCTION

Decision No. 2016- 17

DECISION

Dewey Sdn. Bhd. ("Complainant")¹ filed a complaint against Dole Philippines, Inc.² ("Respondent") for unfair competition and damages.

The Complainant alleges, among others, that it is the owner of the mark "TODAYS", which was first used internationally on 01 March 1916 and in the Philippines on 30 April 1974. The mark was registered under Registration No. 51525 issued on 18 September 1991 to Del Monte Corporation, a California-based company, for "canned fruit". The said registration was subsequently assigned to Dewey Limited, a company based in Bermuda. Upon expiration thereof, Dewey Limited applied for registration of "TODAY'S" for "canned meats, canned milk, breadspreads" under Class 29 and "other preparations made from cereals, powdered mixes, sauces, spices" under Class 30 and was issued Registration No. 4-2002-001854. Dewey Limited also sought registration for the same mark for "fresh fruits" under Class 31 and was issued Registration No. 4-2007-003722 on 28 May 2008. The latter two registrations were subsequently assigned to herein Complainant.

According to the Complainant, the "TODAY'S FRUIT COCKTAIL" was first introduced in the Philippine market in 2000 through Del Monte Philippines, Inc., its exclusive licensee. From inception, it has consistently used a packaging with the blue background as the identifying brand color of its products. In October 2013, it discovered that the Respondent changed the label design of the "SEASONS FRUIT MIX" for fruit cocktail products and also changed the product name to "SEASONS FRUIT COCKTAIL". It bewails that the Respondent imitated its trade dress by adopting certain features of the appearance and style of its "TODAY'S FRUIT COCKTAIL" such as:

- a. the blue background;

¹ A company organized and existing by virtue of Malaysian laws, with address at Level 21, Suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200, Kuala Lumpur.

² A domestic corporation with principal address at 5th Floor, 6750 Tower, Ayala Avenue 1200 Makati City, Philippines.

- b. the image of the mixed fruits are similarly placed beside the images of three other fruits with the pineapple on the left side;
- c. both brand names are placed against a yellow background; and
- d. "FRUIT COCKTAIL" on both labels are in dark blue background with the word "FRUIT" in a larger font and similar typeface.

The Complainant contends that the Respondent's intent to deceive and defraud the public is apparent from the sudden and substantial change in the latter's packaging or trade dress. It points out that the deviation is striking as the former features of the "SEASONS FRUIT MIX" can no longer be found such as the green background, the stand-alone image of mixed fruits, the phrase "IN HEAVY SYRUP", the predominant green and red colors and the shift from "FRUIT MIX" to "FRUIT COCKTAIL". It thus believes that there is high risk in confusion by ordinary purchasers because of the similar packaging of the two products.

On 30 June 2015, the Complainant filed its Formal Offer of Evidence consisting of the following exhibits:³

1. certified true copies of Trademark Registration Nos. 4-2002-001854 and 4-2007-001854 and 4-2007-003722 for "TODAY'S" issued on 01 July 2005 and 20 December 2007, respectively;
2. certified true copy of Certificate of Renewal of Trademark Registration No. 51525 for "TODAY'S" issued on 30 December 2007;
3. certified true copies of the proof of record of assignment of Trademark Registration Nos. 51525, 4-2002-001854 and 4-2007-003722 from Del Monte Corporation to the Complainant;
4. old labels of "TODAY'S FRUIT COCKTAIL" and "SEASONS FRUIT MIX";
5. new labels of "TODAY'S FRUIT COCKTAIL" and "SEASONS FRUIT COCKTAIL";
6. image of "TODAY'S FRUIT COCKTAIL" AS DISPLAYED SIDE BY SIDE WITH "SEASON'S FRUIT COCKTAIL";
7. certifications from The Nielsen Company (Philippines), Inc. dated 04 November 2013, 01 December 2014 and 21 January 2015;
8. certification from Kantar World Panel dated 15 December 2014;
9. affidavit of Albylyn S. Laran; and
10. affidavit of Johanna Emilia Mariangela Z. Gonzales.

The Respondent, on the other hand, alleges, among others, that it started business in the Philippines in 1963 as the pineapple-growing operating unit of Dole Food Company, Inc. ("Dole"). Since 1986, Dole has used the mark "DOLE" in all products and has developed the sky element as background to complement the

³ Marked as Exhibits "A" to "Q", inclusive.

same. Aside from the "DOLE" products, the Complainant also manufactures and distributes "SEASONS", which was first launched in 1995. It asserts that its intention to change the trade dress is to attach "SEASONS" to the good reputation developed by Dole and its company over the years. It explains that because "SEASONS" was marketed with a green background, market feedbacks indicate that there was little awareness among the consuming public that it also manufactures the same brand. On September 2012, its marketing team proposed to harmonize the color and general appearance of "SEASONS" with the rest of product line of "DOLE". Since October 2013, the changes in the design were implemented as follows:

- a. the new design incorporates the sky element;
- b. to provide ready information and consistent with the mandate under the Codex Standard for Canned Tropical Fruits Salad, it adopted the phrase "TROPICAL FRUIT COCKTAIL";
- c. the images of coconut, pineapple and papaya was added to emphasize that "SEASONS" offers tropical fruit cocktails; and
- d. the layout of the brand name against a yellow background was retained.

Order No. 2015-154 was issued admitting the Exhibits "A" to "Q" of the Complainant for the purposes for which they were offered.

On 04 December 2014, the Respondent filed its Formal Offer of Evidence consisting of the following:⁴

1. certification dated 17 December 2013;
2. counter-affidavit dated 27 December 2013;
3. Trademark Registration No. 45050 issued on 16 June 1989;
4. Certificate of Renewal of Registration No. 045050 renewed on 16 June 2009;
5. Trademark Registration No. 4-2011-500446 issued on 17 November 2011;
6. Trademark Registration No. 140942 issued by the Intellectual Property Office of the Republic of China;
7. Korean Trademark Registration Certificate No. 19,659 issued on 23 June 1970;
8. Cuban Trademark Registration No. 115 107 issued on 24 September 1984;
9. German Trademark Certificate Nos. 1008894, 1008895, 1008896 and 1008899, all dated 07 October 1980;
10. German Trademark Certificate No. 1012136 dated 19 December 1980;
11. New Zealand Trademark Certificate of Registration No. 129221 issued on 09 February 1983; and

⁴ Marked as Exhibits "1" to "46", inclusive.

12. Trademark Registration Certificate No. T7981404G issued by the Registry of Trade Marks of Singapore;
13. Trademark Registration Nos. 4-2012-1854, 4-2007-3722 and 51525 for the mark "TODAY'S";
14. counter-affidavit of Noel A. Casanova;
15. product packaging of the Respondent for tropical fruit cocktail;
16. relevant pages of the 1989 and 2000 Dole Packaging Guidelines;
17. Codex of Standard for Tropical Fruit Salad;
18. counter-affidavit of Arman J. Mercado dated 09 January 2014;
19. counter-affidavit of Joustine Felix F. Campana dated 29 September 2015;
20. official receipts issued by Cruz Marcelo & Tenefrancia; and
21. copies of billing statements issued by Cruz Marcelo & Teneferancia.

Order No. 2016-03 was issued admitting Exhibits "1" to "46-B" for the purposes for which they are offered.

Thereafter, the Complainant presented Eileen M. Asuncion. After which, it submitted a Formal Offer of Rebuttal Evidence consisting of:⁵

1. the affidavit of Asuncion;
2. Landmark Supermart official receipts;
3. one 240 ml can of Seasons Mango Juice Drink;
4. one 240 ml can of Dole Singles Pine-Orange Juice Drink
5. one 240 ml can of Dole Mango Mambo Juice Drink;
6. one 240 ml can of Dole 100% Pineapple Juice; and
7. pictures of Seasons and Dole products as displayed in Landmark Supermart.

Order No. 2016-73 was issued admitting the Complainant's Exhibits "R" to "V" for the purpose for which they were offered. The parties were then directed to submit their respective memoranda. The Complainant filed its memorandum on 17 May 2016 and the Respondent on 19 May 2016. After which, the case was deemed submitted for decision.

The issue to be resolved is whether the Respondent may be held guilty for unfair competition.

Section 168 of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that:

"Section 168. Unfair Competition, Rights, Regulation and Remedies. - 168.1. A person who has identified in the mind of the public the goods he manufactures or deals in, his

⁵ Marked as Exhibits "R" to "V", inclusive.

business or services from those of others, whether or not a registered mark is employed, has a property right in the goodwill of the said goods, business or services so identified, which will be protected in the same manner as other property rights.

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.

168.3. In particular, and without in any way limiting the scope of protection against unfair competition, the following shall be deemed guilty of unfair competition:

(a) Any person, who is selling his goods and gives them the general appearance of goods of another manufacturer or dealer, either as to the goods themselves or in the wrapping of the packages in which they are contained, or the devices or words thereon, or in any other feature of their appearance, which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer, other than the actual manufacturer or dealer, or who otherwise clothes the goods with such appearance as shall deceive the public and defraud another of his legitimate trade, or any subsequent vendor of such goods or any agent of any vendor engaged in selling such goods with a like purpose;

(b) Any person who by any artifice, or device, or who employs any other means calculated to induce the false belief that such person is offering the services of another who has identified such services in the mind of the public; or

(c) Any person who shall make any false statement in the course of trade or who shall commit any other act contrary to good faith of a nature calculated to discredit the goods, business or services of another.

168.4. The remedies provided by Sections 156, 157 and 161 shall apply mutatis mutandis."

The essential elements of unfair competition are the following: (1) confusing similarity in the general appearance of the goods; and, (2) intent to deceive the public and defraud a competitor. The confusing similarity may or may not result from similarity in the marks, but may result from other external factors in the packaging or presentation of the goods. The intent to deceive and defraud may be inferred from the similarity of the appearance of the goods as offered for sale to the public. Actual fraudulent intent need not be shown.⁶

To determine whether the first element is present, the contending trade dresses are reproduced below for comparison:

⁶ In-N-Out Burger, Inc. vs. Sehwan, Inc., G.R. No. 179127, 24 December 2008.



Complainant's packaging



Respondent's packaging

Complainant's packaging.⁷



Respondent's packaging.⁸



⁷ Marked as Exhibit "I-1" of the Complaint.

⁸ Marked as Exhibit "K" of the Complaint.

Both "TODAY'S" and "SEASONS" packaging employ the phrase "FRUIT COCKTAIL", a picture of a fruit cocktail accompanied by fresh fruits, a blue background and the brands names placed against a yellow background. These taken altogether, however, are insufficient to draw a conclusion that there is confusing similarity on the general appearance of the goods.

The phrase "FRUIT COCKTAIL" is generic to the products that the trade dresses cover. As such, no entity that manufactures fruit cocktail products can claim exclusive use thereof. The so-called descriptive terms, which may be used to describe the product adequately, cannot 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.⁹ Also, the phrase "TROPICAL FRUIT MIX" is one of the allowed name of product as per Codex Standard for Canned Tropical Fruit Salad¹⁰ in addition to "TROPICAL FRUIT SALAD" and "TROPICAL FRUIT MIX".

Also for being generic, the Complainant cannot claim exclusive protection on the image of the fruit cocktail and fresh fruits, which merely depicts the goods that the packages cover. As to the positioning thereof, there cannot be a likelihood of confusion either. The "TODAY'S" packaging consists of a cut-up pineapple filled with fruit cocktail, half of a coconut and a whole yellow papaya. On the other hand, the "SEASONS" packaging includes a whole pineapple, a cut-up papaya and a whole green papaya. In addition, a picture of the fruit cocktail is placed at the center of the fresh fruits and is spread out at the bottom of the front label up to the back.

As to the similarity on the position and color of the background of the labels, it is noteworthy that the Respondent did not make any changes from the previous packaging of "SEASONS". As shown below,



⁹ Ong Ai Gui vs. Director of Philippines Patent Office, G.R. No. L-6235, 28 March 1955.

¹⁰ Marked as Exhibit "29".

the Respondent merely maintained the "SEASONS" label cast in a yellow ribbon-like design.

It is true that the competing trade dresses dominantly use the color blue. Just the same, confusion is unlikely. The Complainant did not adduce evidence that as to fruit cocktail products, the consumers associate the color blue to "TODAY'S". Nor did it show that "TODAY'S" is the only one in the market that appropriates the said color. Noteworthy, the same color is employed on the Respondent's fruit cocktail products under the "DOLE" brand. In fact, as per certification from the Philippine Survey and Research Center (PSRC)¹¹, the "blue color is strongly associated with Dole".

Anent to the second element, the Complainant failed to present substantial evidence to prove fraud or intent to deceive on the part of the Respondent. According to jurisprudence, the same is the "true test" of unfair competition; that is whether the acts of the defendant have the intent of deceiving or are calculated to deceive the ordinary buyer making his purchases under the ordinary conditions of the particular trade to which the controversy relates. One of the essential requisites in an action to restrain unfair competition is proof of fraud, the intent to deceive, actual or probable must be shown before the right to recover can exist.¹²

The Respondent has reasonably explained how it arrived at its new trade dress. According to the Respondent, the move is motivated by its intention to harmonize its "SEASONS" fruit cocktail products with "DOLE" as some of the consumers do not know that the two brands are affiliated. The "DOLE" packaging, as shown below,



¹¹ Marked as Annex "A" of Arman Mercado's affidavit.

¹² Superior Commercial Enterprise, Inc. vs. Kunnan Enterprise Ltd., .R. No. 169974, 20 April 2010.

also comprises an image of a fruit cocktail in the middle, a sliced papaya on the right and a whole pineapple on the left. The only difference is the image of half a coconut beside the pineapple, which is not included in the "SEASONS" packaging. Similarly, the "DOLE" label employs "TROPICAL FRUIT COCKTAIL" and the blue background with cloudlike features or the "sky element", all of which are present in the new "SEASONS" trade dress.

The goodwill of "DOLE" products has been established by the Respondent and was never questioned by the Complainant. It is a plausible and a valid business move for a company like the Respondent to harmonize its labels, especially where one is more marketable. The Complainant, on the other hand, insists that the Respondent copied its "TODAY'S" packaging as shown by the decrease in volume share of its products in 2014 and the increase of that of the "SEASONS" brand. The changes in the shares, however, are insufficient to draw a conclusion that the same is a consequence of the change of trade dress of the "SEASONS" products. As testified by the Complainant's witness Johanna Emilia Mariangela Z. Gonzales:¹³

Atty. Villanueva: Please state for the record Ms. Witness what is the increase in the volume share of SM Bonus packaged fruits in 2013 as compared to 2014?

Witness: Around 0.8.

Atty. Villanueva: From 1.5 to 2.3, correct?

Witness: That is correct.

Atty. Villanueva: And the certification also includes figures for Del Monte, correct?

Witness: Yes, that's correct.

Atty. Villanueva: Can you read the increases in the percentage point of the volume share of Del Monte in 2013 as compared to 2014.

Witness: 6.4 to 10.8 for Del Monte.

Atty. Villanueva: And can you confirm in fact Del Monte fruits product there was increase in percentage of volume share of Del Monte as compared to Today's?

Witness: Yes.

x x x

Atty. Villanueva: You also did not include the fact that aside from "SEASONS", other products who own market shares, in fact, increased. I refer you to the data on

¹³ TSN, 16 June 2015, pp. 24-26.

'Other (Products)'. Can you confirm that the volume share of other product increased from 0.7 in 2013 to 2.4 in 2014?"

Witness: Yes."

Therefore, none of the elements for unfair competition are present. Be that as it may, damages will not be awarded to the Respondent. This Bureau finds that the Complainant merely acted based on its honest belief that the Respondent, in arriving at a new packaging for the "SEASONS" products, was inspired by the packaging of its own "TODAY'S" products. Although this Bureau finds that there is no unfair competition, it is evident that the Complainant was not motivated by malicious intent or by sinister design to unduly harass the Respondent, but only by a well-founded anxiety to protect its rights when it filed the complaint.

WHEREFORE, the instant Complaint is hereby **DISMISSED**. No cost.

SO ORDERED.

Taguig City, **07 NOV 2016**


ATTY. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs