

Republic of the Philippines
SUPREME COURT
Manila

FIRST DIVISION

[G.R. No. 115106. March 15, 1996]

ROBERTO L. DEL ROSARIO, *petitioner*,

vs.

COURT OF APPEALS AND JANITO CORPORATION, *respondents*.

BELLOSILLO, J.:

Roberto del Rosario petitions this Court to review the decision of the Court of Appeals^[1] which set aside the order of the Regional Trial Court of Makati granting a writ of preliminary injunction in his favor.

The antecedents: On 18 January 1993 petitioner filed a complaint for patent infringement against private respondent Janito Corporation.^[2] Roberto L. del Rosario alleged that he was a patentee of an audio equipment and improved audio equipment commonly known as the sing-along system or *karaoke* under Letters Patent No. UM-5269 dated 2 June 1983 as well as Letters Patent No. UM-6237 dated 14 November 1986 issued by the Director of Patents. The effectivity of both Letters Patents was for five (5) years and was extended for another five (5) years starting 2 June 1988 and 14 November 1991, respectively. He described his sing-along system as a handy multi-purpose compact machine which incorporates an amplifier speaker, one or two tape mechanisms, optional tuner or radio and microphone mixer with features to enhance one's voice, such as the echo or reverb to stimulate an opera hall or a studio sound, with the whole system enclosed in one cabinet casing.

In the early part of 1990 petitioner learned that private respondent was manufacturing a sing-along system bearing the trademark *miyata* or *miyata karaoke* substantially similar if not identical to the sing-along system covered by the patents issued in his favor. Thus he sought from the trial court the issuance of a writ of preliminary injunction to enjoin private respondent, its officers and everybody elsewhere acting on its behalf, from using, selling and advertising the *miyata* or *miyata karaoke* brand, the injunction to be made permanent after trial, and praying for damages, attorney's fees and costs of suit.

On 5 February 1993 the trial court temporarily restrained private respondent from manufacturing, using and/or selling and advertising the *miyata* sing-along system or any sing-along system substantially identical to the sing-along system patented by petitioner until further orders.

On 24 February 1993 the trial court issued a writ of preliminary injunction upon a bond on the basis of its finding that petitioner was a holder of a utility model patent for a sing-along system and that without his approval and consent private respondent was admittedly manufacturing and selling its own sing-along system under the brand name *miyata* which was substantially similar to the patented utility model^[3] of petitioner.

Private respondent assailed the order of 24 February 1993 directing the issuance of the writ by way of a petition for certiorari with prayer for the issuance of a writ of preliminary injunction and a temporary restraining order before respondent Court of Appeals.

On 15 November 1993 respondent appellate court granted the writ and set aside the questioned order of the trial court. It expressed the view that there was no infringement of the

patents of petitioner by the fact alone that private respondent had manufactured the *miyata karaoke* or audio system, and that the karaoke system was a universal product manufactured, advertised and marketed in most countries of the world long before the patents were issued to petitioner. The motion to reconsider the grant of the writ was denied;^[4] hence, the instant petition for review.

This petition alleges that: (a) it was improper for the Court of Appeals to consider questions of fact in a certiorari proceeding; (b) the Court of Appeals erred in taking judicial notice of private respondent's self-serving presentation of facts; (c) the Court of Appeals erred in disregarding the findings of fact of the trial court; and, (d) there was no basis for the Court of Appeals to grant a writ of preliminary injunction in favor of private respondent.^[5]

Petitioner argues that in a certiorari proceeding, questions of fact are not generally permitted the inquiry being limited essentially to whether the tribunal has acted without or in excess of jurisdiction or with grave abuse of discretion; that respondent court should not have disturbed but respected instead the factual findings of the trial court; that the movant has a clear legal right to be protected and that there is a violation of such right by private respondent. Thus, petitioner herein claims, he has satisfied the legal requisites to justify the order of the trial court directing the issuance of the writ of injunction. On the other hand, in the absence of a patent to justify the manufacture and sale by private respondent of sing-along systems, it is not entitled to the injunctive relief granted by respondent appellate court.

The crux of the controversy before us hinges on whether respondent Court of Appeals erred in finding the trial court to have committed grave abuse of discretion in enjoining private respondent from manufacturing, selling and advertising the *miyata karaoke* brand sing-along system for being substantially similar if not identical to the audio equipment covered by letters patent issued to petitioner.

Injunction is a preservative remedy for the protection of substantive rights or interests. It is not a cause of action in itself but merely a provisional remedy, an adjunct to a main suit. The controlling reason for the existence of the judicial power to issue the writ is that the court may thereby prevent a threatened or continuous irremediable injury to some of the parties before their claims can be thoroughly investigated and advisedly adjudicated. It is to be resorted to only when there is a pressing necessity to avoid injurious consequences which cannot be remedied under any standard of compensation. The application of the writ rests upon an alleged existence of an emergency or of a special reason for such an order before the case can be regularly heard, and the essential conditions for granting such temporary injunctive relief are that the complaint alleges facts which appear to be sufficient to constitute a cause of action for injunction and that on the entire showing from both sides, it appears, in view of all the circumstances, that the injunction is reasonably necessary to protect the legal rights of plaintiff pending the litigation.^[6]

A preliminary injunction may be granted at any time after the commencement of the action and before judgment when it is established that the defendant is doing, threatens, or is about to do, or is procuring or suffering to be done, some act probably in violation of the plaintiff's rights. Thus, there are only two requisites to be satisfied if an injunction is to issue, namely, the existence of the right to be protected, and that the facts against which the injunction is to be directed are violative of said right.^[7]

For the writ to issue the interest of petitioner in the controversy or the right he seeks to be protected must be a present right, a legal right which must be shown to be clear and positive.

In this regard Sec. 55 of R.A. 165 as amended, known as *The Patent Law*, provides –
Sec. 55. Design patents and patents for utility *models*. - (a) Any new, original, and ornamental design for an article of manufacture and (b) new model or implements or tools or of any Industrial product or of part of the same, which does not possess the quality of invention but which is of practical utility by reason of its form, configuration, construction or composition, may be protected by the author thereof, the former by a patent for a design and the latter by a patent for a utility

model, in the same manner and subject to the same provisions and requirements as relate to patents for inventions insofar as they are applicable, except as otherwise herein provide x x x

Admittedly, petitioner is a holder of Letters Patent No. UM-5629 dated 2 June 1985 issued for a term of five (5) years from the grant of a Utility Model herein described –

The construction of an audio equipment comprising a substantially cubical casing having a window at its rear and upper corner fitted with a slightly inclined control panel, said cubical (casing) having a vertical partition wall therein defining a rear compartment and a front compartment, and said front compartment serving as a speaker baffle; a transistorized amplifier circuit having an echo section and writhed in at least the printed circuit boards placed inside said rear compartment of said casing and attached to said vertical partition wall, said transistorized amplifier circuit capable of being operated from outside, through various controls mounted on said control panel of such casing; a loud speaker fitted inside said front compartment of said casing and connected to the output of the main audio amplifier section of said transistorized amplifier circuit and a tape player mounted on the top wall of said casing and said tape player being connected in conventional manner to said transistorized amplifier circuit.^[9]

Again, on 14 November 1986 petitioner was granted Letters Patent No. UM-6237 for a term of five (5) years from the grant of a Utility Model described as –

In an audio equipment consisting of a first cubical casing having an opening at its rear and upper rear portion and a partition therein forming a rear compartment and a front compartment serving as a loud speaker baffle, a control panel formed by vertical and horizontal sections, a transistorized amplifier circuit wired in at least two printed circuit boards attached at the back of said control panel, a first loud speaker fitted inside said first compartment of such first casing and connected to the output of said transistorized amplifier circuit; the improvement wherein said control panel being removably fitted to said first cubical casing and further comprises a set of tape recorder and tape player mounted on the vertical section of said control panel and said recorder and player are likewise connected to said transistorized amplifier circuit; a second cubical casing having an opening at its rear, said second cubical casing having (being ?) provided with a vertical partition therein defining a rear compartment and a front compartment, said rear compartment being provided with a door and enclosing therein a set of tape racks and said front compartment serving as loud speaker baffle, said second cubical casing being adapted to said first cubical casing so that said first and second casings are secured together in compact and portable form; and a second loud speaker fitted inside said front compartment of said casing and connected to the output of said amplifier circuit.^[9]

The terms of both Letters Patents were extended for another five (5) years each, the first beginning 2 June 1988 and the second, 14 November 1991.

The Patent Law expressly acknowledges that any new model of implements or tools of any industrial product even if not possessed of the quality of invention but which is of practical utility is entitled to a patent for utility model.^[10] Here, there is no dispute that the letters patent issued to petitioner are for utility models of audio equipment.

In issuing, reissuing or withholding patents and extensions thereof, the Director of Patents determines whether the patent is new and whether the machine or device is the proper subject of patent. In passing on an application, the Director decides not only questions of law but also questions of fact, i.e. whether there has been a prior public use or sale of the article sought to be patented.^[11] Where petitioner introduces the patent in evidence, if it is in due form, it affords a *prima facie* presumption of its correctness and validity. The decision of the Director of Patents in granting the patent is always presumed to be correct, and the burden then shifts to respondent to overcome this presumption by competent evidence.^[12]

Under Sec. 55 of The Patent Law a utility model shall not be considered “new” if before the application for a patent it has been publicly known or publicly used in this country or has been

described in a printed publication or publications circulated within the country, or if it is substantially similar to any other utility model so known, used or described within the country. Respondent corporation failed to present before the trial court competent evidence that the utility models covered by the Letters Patents issued to petitioner were not new. This is evident from the testimony of Janito Cua, President of respondent Janito Corporation, during the hearing on the issuance of the injunction, to wit –

Q. Mr. Cua, you testified that there are (sic) so many other companies which already have (sic) the sing-along system even before the patent application of Mr. del Rosario and as a matter of fact you mentioned Sanyo, Sony and Sharp, is that right?

A. Musicmate and Asahi.

Q. Now do you recall that your lawyer filed with this Honorable Court an Urgent Motion to Lift Temporary Restraining Order of this Honorable Court. I am sure you were the one who provided him with the information about the many other companies selling the sing-along system, is that right? These 18 which you enumerated here.

A. More than that because x x x

Q. Now you will agree with me that in your statement Sharp you put the date as 1985 agreed?

A. No.

Q. You mean your lawyer was wrong when he put the word Sharp 1985?

A. Maybe I informed him already.

xxx xxx xxx

Q. You mean your lawyer was wrong in alleging to this Court that Sharp manufactured and sold (in) 1985 as found in the Urgent Motion?

A. Since it is urgent it is more or less.

Q. The same also with Sanyo 1985 which you put, more or less?

A. Sanyo is wrong.

Q. It is not 1985?

A. Sanyo is 1979 I think.

Q. So this is also wrong. Panasonic 1986 is also wrong?

A. Panasonic I think.

Q. So you don't think this is also correct.

A. The date?

Q. So you don't think also that this allegation here that they manufactured in 1986 is correct?

A. Wrong. Earlier.

- Q. National by Precision Electronic 1986 this is also wrong?
- A. I think earlier.
- Q. So that means all your allegations here from 2 to 5 are wrong? OK. By Philipps Philippines 1986, this is also correct or wrong?
- A. More or less. We said more or less.
- Q. Nakabutshi by Asahi Electronics that is also wrong?
- A. No, that is 1979.
- Q. Electone by DICO 1989 is this correct or wrong?
- A. Correct. More or less.
- Q. Skylers 1985 is that correct or wrong?
- A. It is more or less because it is urgent. We don't have time to exact the date.
- Q. Musicmate of G.A. Yupangco 1981 this is more or less? You are not also sure?
- A. 95% sure.
- Q. Now you are sure 1981.
- A. This one because x x x
- Q. Mr. Witness so you are now trying to tell this Honorable Court that all your allegations here of the dates in this Urgent Motion except for Musicmate which you are only 95% sure they are all wrong or they are also more or less or not sure, is that right?
- A. More or less.
- Q. Now do you have any proof, any advertisement, anything in writing that would show that all these instruments are in the market, do you have it?
- A. No, I don't have it because x x x
- Q. No. I am satisfied with your answer. Now Mr. Witness, you don't also have a proof that Akai instrument that you said was also in the market before 1982? You don't have any written proof. any advertisement?
- A. I have the product.
- Q. But you have not brought the product in (sic) this Honorable Court, right?
- A. No.^[13]

As may be gleaned herein, the rights of petitioner as a patentee have been sufficiently established, contrary to the findings and conclusions of respondent Court of Appeals. Consequently, under Sec. 37 of The Patent law, petitioner as a patentee shall have the exclusive right to make, use and sell the patented machine, article or product for the purpose of industry or commerce, throughout the territory of the Philippines for the term of the patent, and such making,

using or selling by any person without authorization of the patentee constitutes infringement of his patent.

Petitioner established before the trial court that respondent Janito Corporation was manufacturing a similar sing-along system bearing the trademark *miyata* which infringed his patented models. He also alleged that both his own patented audio equipment and respondent's sing-along system were constructed in a casing with a control panel, the casing having a vertical partition wall defining the rear compartment from the front compartment, with the front compartment consisting of a loud speaker baffle, both containing a transistorized amplifier circuit capable of being operated from outside through various controls mounted on the control panel, and that both had loud speakers fitted inside the front compartment of the casing and connected to the output of the main audio amplifier section both having a tape recorder and a tape player mounted on the control panel with the tape recorder and tape player being both connected to the transistorized amplifier circuit.^[14]

Respondent Janito Corporation denied that there was any violation of petitioner's patent rights, and cited the differences between its *miyata equipment* and petitioner's audio equipment. But, it must be emphasized, respondent only confined its comparison to the first model, Utility Model No. 5269, and completely disregarded Utility Model No. 6237 which improved on the first. As described by respondent corporation,^[15] these differences are –

First. Under Utility Model 5269, the unit is a substantially cubical casing with a window at its rear and upper corner fitted with slightly inclined control panel, while the *miyata* equipment is a substantially rectangular casing with panel vertically positioned.

Second. Under Utility Model 5269, the cubical casing has a vertical partition wall defining a rear compartment and a front compartment serving as a speaker baffle, while the *miyata* equipment has no rear compartment and front compartment in its rectangular casing; it has only a front compartment horizontally divided into 3 compartments like a 3-storey building, the 1st compartment being a kit, the 2nd also the speaker, and the 3rd are kits.

Third. Under Utility Model No. 5269, a transistorized amplifier circuit with an echo section wired in at least 2 printed circuit boards is placed inside the rear compartment of the casing and attached to the vertical partition wall, the printed circuit board having 1 amplifier and 1 echo, while in the *miyata* equipment the amplifier is mainly IC (Integrated Circuit) - powered with 8 printed circuit boards almost all of which are IC controlled, with 1 amplifier with power supply, 1 main tuner, 1 equalizer (3-band), 1 IC controlled volume control, 1 echo IC, 1 tape pream, 1 instrument and 1 wireless microphone.

Fourth. Under Utility Model 5269, 4 printed circuits are placed inside the compartment of its casing attached to the vertical partition wall, while in the *miyata*, the 7 printed circuit boards (PCB) are attached to the front panel and 1 attached to the horizontal divider.

Fifth. Under Utility Model 5269, there are various controls mounted on the control panel of the casing, while in *miyata*, the various controls are all separated from the printed circuit boards and the various controls are all attached thereto.

Sixth. Under Utility Model 5269, a loud speaker fitted inside the front compartment of the casing is connected to the output of the main audio amplifier section of the transistorized amplifier circuit, while in *miyata*, there is no other way but to use 2 loud speakers connected to the amplifier.

Seventh. Under Utility Model 5269, a tape player is mounted on the top wall of the casing, while in *miyata*, 2 tape players are used mounted side by side at the front.

It is elementary that a patent may be infringed where the essential or substantial features of the patented invention are taken or appropriated, or the device, machine or other subject matter

alleged to infringe is substantially identical with the patented invention. In order to infringe a patent, a machine or device must perform the same function, or accomplish the same result by identical or substantially identical means and the principle or mode of operation must be substantially the same.^[16]

It may be noted that respondent corporation failed to present before the trial court a clear, competent and reliable comparison between its own model and that of petitioner, and disregarded completely petitioner's Utility Model No. 6237 which improved on his first patented model. Notwithstanding the differences cited by respondent corporation, it did not refute and disprove the allegations of petitioner before the trial court that: (a) both are used by a singer to sing and amplify his voice; (b) both are used to sing with a minus-one or multiplex tapes, or that both are used to play minus-one or standard cassette tapes for singing or for listening to; (c) both are used to sing with a minus-one tape and multiplex tape and to record the singing and the accompaniment; (d) both are used to sing with live accompaniment and to record the same; (e) both are used to enhance the voice of the singer using echo effect, treble, bass and other controls; (g) both are equipped with cassette tape decks which are installed with one being used for playback and the other, for recording the singer and the accompaniment, and both may also be used to record a speaker's voice or instrumental playing, like the guitar and other instruments; (h) both are encased in a box-like cabinets; and, (i) both can be used with one or more microphones.^[17]

Clearly, therefore, both petitioner's and respondent's models involve substantially the same modes of operation and produce substantially the same if not identical results when used.

In view thereof, we find that petitioner had established before the trial court *prima facie* proof of violation of his rights as patentee to justify the issuance of a writ of preliminary injunction in his favor during the pendency of the main suit for damages resulting from the alleged infringement.

WHEREFORE, the Decision of the Court of Appeals dated 15 November 1993 is REVERSED and SET ASIDE and the Order of the trial court dated 24 February 1993 granting petitioner the writ of injunction is REINSTATED.

The trial court is directed to continue with the proceedings on the main action pending before it in order to resolve with dispatch the issues therein presented.

SO ORDERED.

Padilla (Chairman), Vitug, Kapunan, and Hermosisima, Jr., JJ., concur.

FOOTNOTES:

^[1] *Rollo*, p. 52.

^[2] Complaint was filed before the Regional Trial Court of Makati, Br. 57.

^[3] *Rollo*, pp. 252-253.

^[4] *Rollo*, p. 65.

^[5] *Rollo*, p. 22.

^[6] Francisco, Vicente J., *The Revised Rules of Court in the Philippines*, 1985 ed., Rules 57-61, pp. 174-175.

^[7] *Araneta v. Gatnaitan*, 101 Phil. 328(1957).

^[8] *Rollo*, p. 78.

^[9] *Rollo*, pp. 99-100.

^[10] *Samson v. Tarroza*, No. L-20354, 28 July 1969, 28 SCRA 792.

^[11] *Philippine Lawyers' Association v. Agrava*, 105 Phil. 173.

^[12] *Vargas v. F.M. Yaptico and Co., Ltd.*, 40 Phil. (1919).

^[13] TSN, 16 February 1993, *Rollo*, pp. 165-167.

^[14] *Rollo*, pp. 199-200.

^[15] *Rollo*, pp. 243-244.

^[16] Jarencio, Hilarion U., *Torts and Damages in Philippine Law*, 1977 ed., pp. 453-454, citing 69 C.J.S., pp. 851-860.

^[17] *Rollo*, pp. 200-201 and 225-251.