



**Republic of the Philippines
Supreme Court
Manila**

SECOND DIVISION

**SAHAR INTERNATIONAL
TRADING, INC.,**

Petitioner,

- versus -

**WARNER LAMBERT CO.,
LLC and PFIZER, INC.
(Philippines),**

Respondents.

G.R. No. 194872

Present:

CARPIO, *J.*, Chairperson,
BRION,
DEL CASTILLO,
PEREZ, and
PERLAS-BERNABE, *JJ.*

Promulgated:

JUN 09 2014

Ateneo de Manila University

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RESOLUTION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ are the Decision² dated April 22, 2010 and the Resolution³ dated December 21, 2010 of the Court of Appeals (CA) in CA-G.R. SP No. 106455 which annulled and set aside the Orders⁴ dated August 5, 2008 and September 25, 2008 of the Regional Trial Court of Makati City, Branch 149 (RTC), thereby directing the said court to issue a writ of preliminary injunction enjoining petitioner Sahar International Trading, Inc. (Sahar), its agents, representatives, and assigns, during the pendency of Civil Case No. 08-424, from making, using or offering for sale, or distributing *Atorvastatin* or *Atorvastatin Calcium* products to various hospitals, drugstores, or to any other individual or entity in the Philippines, or from otherwise infringing the patents of respondent Warner Lambert Co., LLC (Warner Lambert) over the foregoing drugs.

¹ *Rollo*, pp. 9-38.

² *Id.* at 42-58. Penned by Associate Justice Noel G. Tijam, with Associate Justices Sesinando E. Villon and Danton Q. Bueser, concurring.

³ *Id.* at 60-64.

⁴ *Id.* at 164-167 and 183, respectively. Penned by Presiding Judge Cesar O. Untalan.

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The Facts

Warner Lambert, a foreign corporation, is the registered owner of three (3) Philippine patents, namely: (a) Letters Patent (LP) No. 26330 for the pharmaceutical substance *Atorvastatin* valid until April 29, 2009; (b) LP No. 29149 for the pharmaceutical substance *Atorvastatin Calcium* valid until September 26, 2012;⁵ and (c) LP No. 1-1996-53719 for the pharmaceutical substance *Atorvastatin Calcium* in crystalline form valid until October 23, 2019 (subject patents).⁶ In general, *Atorvastatin* blocks the production of cholesterol in the body and is used to reduce the amounts of LDL (bad cholesterol), total cholesterol, triglycerides (another type of fat), and *apolipoprotein B* (a protein needed to make cholesterol) in a person's blood.⁷ *Atorvastatin* is also used to increase the level of HDL (good cholesterol) in one's blood. These actions are important in reducing the risk of hardening of the arteries, which can lead to heart attacks, strokes, and peripheral vascular diseases.⁸ Warner Lambert and its worldwide affiliates sell products covered by the subject patents under the brand name *Lipitor*.⁹

On the other hand, respondent Pfizer, Inc. (Pfizer) is the exclusive licensee of Warner Lambert to import, market, distribute, and sell products covered by the subject patents in the Philippines. To this end, Pfizer applied for and was issued various Certificates of Product Registration (CPR) from the Bureau of Food and Drugs (now, Food and Drug Administration [FDA]) in order to validly sell and promote such products in the Philippine market.¹⁰

Sometime in 2005, Pfizer discovered that Sahar also applied for and was issued a CPR by the FDA for *Atorvastatin Calcium* under the brand name *Atopitar*.¹¹ It also found out that Sahar has been selling and distributing *Atopitar* in the provinces of Bicol, Zamboanga, Cebu, Ilocos Norte, as well as in Tarlac; and that Sahar's marketing ads showed that *Atopitar* is neither manufactured by Warner Lambert nor any Pfizer company, but by Geofman¹² Pharmaceuticals of Pakistan. Upon further investigation and laboratory testing, Pfizer learned that the *Atorvastatin Calcium* that is used in *Atopitar* is also in its crystalline form.¹³

Pfizer immediately sent numerous letters to Sahar informing the latter of Warner Lambert's patents over *Atorvastatin Calcium* and demanding it to

⁵ Erroneously dated February 15, 2024 in the assailed CA Decision. (Id. at 43.)

⁶ See CA Decision in CA. G.R. CV. No. 97495 entitled "*Warner Lambert Co., LLC and Pfizer, Inc. (Philippines) v. Sahar International Trading, Inc.*" dated November 5, 2013; id. at 799 and 801. See also id. at 725.

⁷ Id. at 165 and 802.

⁸ Id. at 802.

⁹ Id. at 44, 164-165 and 802.

¹⁰ Id. at 44 and 802.

¹¹ Id. at 44-45 and 802.

¹² Also spelled as "Geoffman" in some parts of the record.

¹³ *Rollo*, pp. 44-45 and 165.

cease and desist from selling and distributing said pharmaceutical substance under the brand name *Atopitar*. However, Sahar did not heed such demands and replied that the patent over *Atorvastatin Calcium* had already expired in Pakistan and, therefore, it believed the same can already be freely distributed and marketed in the Philippines by any entity.¹⁴ Thus, Warner Lambert and Pfizer (respondents) filed a Complaint¹⁵ for Patent Infringement, Damages, and Injunction, with applications for the issuance of Temporary Restraining Orders and/or Writs of Preliminary Injunction against Sahar before the RTC, docketed as Civil Case No. 08-424.¹⁶ In support of its prayer for injunctive relief, respondents alleged that Sahar's acts of importing, selling, and offering for sale *Atorvastatin* and *Atorvastatin Calcium* products under the brand name *Atopitar* constitute acts of patent infringement as defined in Section 76¹⁷ of Republic Act No. (RA) 8293,¹⁸ otherwise known as the "Intellectual Property Code of the Philippines,"¹⁹ and that unless Sahar is enjoined from doing said acts, they will suffer irreparable damage and render any judgment ineffectual.²⁰

In opposition to the prayer for injunctive relief, Sahar assailed the validity of Warner Lambert's patents, maintaining that: (a) the ingredients and the process in the making of the *Atorvastatin Calcium* found in *Atopitar* is substantially different from that found in *Lipitor*; (b) the FDA's issuance

¹⁴ Id. at 44 and 802-803.

¹⁵ Id. at 118-132. Dated May 20, 2008.

¹⁶ Id. at 43-44 and 800.

¹⁷ Section 76 of RA 8293 reads:

Sec. 76. *Civil Action for Infringement.* –

- 76.1. The making, using, offering for sale, selling, or importing a patented product or a product obtained directly or indirectly from a patented process, or the use of a patented process without the authorization of the patentee constitutes patent infringement.
- 76.2. Any patentee, or anyone possessing any right, title or interest in and to the patented invention, whose rights have been infringed, may bring a civil action before a court of competent jurisdiction, to recover from the infringer such damages sustained thereby, plus attorney's fees and other expenses of litigation, and to secure an injunction for the protection of his rights.
- 76.3. If the damages are inadequate or cannot be readily ascertained with reasonable certainty, the court may award by way of damages a sum equivalent to reasonable royalty.
- 76.4. The court may, according to the circumstances of the case, award damages in a sum above the amount found as actual damages sustained: Provided, That the award does not exceed three (3) times the amount of such actual damages.
- 76.5. The court may, in its discretion, order that the infringing goods, materials and implements predominantly used in the infringement be disposed of outside the channels of commerce or destroyed, without compensation.
- 76.6. Anyone who actively induces the infringement of a patent or provides the infringer with a component of a patented product or of a product produced because of a patented process knowing it to be especially adopted for infringing the patented invention and not suitable for substantial non-infringing use shall be liable as a contributory infringer and shall be jointly and severally liable with the infringer.

¹⁸ Entitled "AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES."

¹⁹ Id. at 123-124.

²⁰ Id. at 128 and 165-166.

of a CPR in its favor should be deemed *prima facie* evidence that it is authorized to sell and distribute *Atopitar* in the Philippines; and (c) there is no urgent need to enjoin the sale and distribution of *Atopitar* in the Philippine market, considering that Warner and Pfizer themselves took more than two (2) years to file their complaint.²¹

The RTC Ruling

In an Order²² dated August 5, 2008, the RTC denied respondents' application for the issuance of a writ of preliminary injunction against the alleged patent infringement of Sahar. The RTC deemed it proper not to grant such prayer, considering that the instant case is principally for injunction and damages, and, as such, the issuance of an injunctive writ "would in effect result in [the] premature disposition of the main case and would defeat the purpose of preliminary injunctive relief."²³

Respondents filed a Motion for Reconsideration²⁴ dated August 20, 2008, which was, however, denied by the RTC in an Order²⁵ dated September 25, 2008. Aggrieved, respondents filed a petition for *certiorari*²⁶ before the CA.

The CA Ruling

In a Decision²⁷ dated April 22, 2010, the CA annulled and set aside the assailed orders of the RTC and issued a writ of preliminary injunction enjoining Sahar, its agents, representatives, and assigns, during the pendency of Civil Case No. 08-424, from making, using or offering for sale, or distributing *Atopitar* in the Philippine market.²⁸

The CA held that from the evidence presented, respondents have established their right to preliminary injunctive relief against Sahar's acts of selling and distributing *Atorvastatin Calcium* under the brand name *Atopitar*, considering that: (a) Warner Lambert is the registered owner of the subject patents which are still existing and effective; (b) Sahar does not deny that it has been selling and distributing products using *Atorvastatin* and *Atorvastatin Calcium* in crystalline form; and (c) respondents' witnesses testified that the presence of *Atopitar* is causing confusion among medical

²¹ Id. at 166.

²² Id. at 164-167.

²³ Id. at 166-167.

²⁴ Id. at 168-175.

²⁵ Id. at 183.

²⁶ Id. at 184-203. Dated December 5, 2008.

²⁷ Id. at 42-58.

²⁸ Id. at 57-58.

practitioners as to the availability of *Lipitor* and validity of the subject patents registered under the name of Warner Lambert.²⁹

Further, contrary to the RTC's findings, the CA held that the issuance of a writ of preliminary injunction in respondents' favor would not result in the prejudgment of the instant case because other issues, such as whether or not Sahar is indeed guilty of patent infringement and thus, liable for damages, still need to be resolved through full-blown trial.³⁰

Dissatisfied, Sahar moved for reconsideration,³¹ which was, however, denied by the CA in a Resolution³² dated December 21, 2010. Hence, this petition.

The Issue Before the Court

The sole issue for the Court's resolution is whether or not the CA was correct in issuing a writ of preliminary injunction enjoining Sahar, its agents, representatives, and assigns, during the pendency of Civil Case No. 08-424 from making, using or offering for sale, or distributing *Atopitar* in the Philippine market.

At this point, it must be noted that on March 11, 2011 and during the pendency of the instant petition, the RTC issued a Judgment³³ dismissing Civil Case No. 08-424 on the ground of lack of cause of action. Thereafter, respondents filed an appeal before the CA, docketed as CA-G.R. CV No. 97495.³⁴ In a Decision³⁵ dated November 5, 2013, the CA reversed and set aside the RTC ruling and found Sahar liable for patent infringement, and thus, ordered that: (a) Sahar pay respondents ₱300,000.00 as temperate or moderate damages, ₱50,000.00 as exemplary damages, and ₱50,000.00 as attorney's fees and litigation expenses; (b) the writ of preliminary injunction that it issued in its April 22, 2010 Decision in CA-G.R. SP No. 106455 be made permanent; and (c) Sahar's *Atopitar*, wherever they may be found in the Philippines, including materials and implements used in the commission of patent infringement, be condemned, seized, and forfeited.³⁶

²⁹ Id. at 54.

³⁰ Id. at 56-57.

³¹ Id. at 65-73. Dated May 5, 2010.

³² Id. at 60-64.

³³ Id. at 314-327.

³⁴ Id. at 798.

³⁵ Id. at 798-819. Penned by Associate Justice Samuel H. Gaerlan, with Associate Justices Rebecca L. De Guia-Salvador and Apolinario D. Bruselas, Jr., concurring.

³⁶ Id. at 818-819.

The Court's Ruling


The petition is dismissed on the ground of mootness.

A case or issue is considered moot and academic when it ceases to present a justiciable controversy by virtue of supervening events, so that an adjudication of the case or a declaration on the issue would be of no practical value or use. In such instance, there is no actual substantial relief which a petitioner would be entitled to, and which would be negated by the dismissal of the petition. Courts generally decline jurisdiction over such case or dismiss it on the ground of mootness. This is because the judgment will not serve any useful purpose or have any practical legal effect because, in the nature of things, it cannot be enforced.³⁷


Applying the foregoing, the Court finds that the CA's supervening promulgation of its Decision dated November 5, 2013 in CA-G.R. CV No. 97495 – which reversed the RTC's Judgment dated March 11, 2011 in Civil Case No. 08-424 and thereby made the writ of preliminary injunction permanent – rendered the present case moot and academic. This is because the primordial issue raised in the instant petition is precisely the propriety of the aforesaid issuance. Since the writ of preliminary injunction is but an incident of the patent infringement case which had already been resolved by the CA, ruling on its propriety would be merely an academic exercise carrying no practical effect. Accordingly, the Court is constrained to dismiss the instant petition. In this relation, it is relevant to point out that it would be premature for the Court to tackle the merits of the CA's recent decision for the reason that it is not the matter herein appealed.

WHEREFORE, the petition is **DISMISSED** for being moot and academic.

SO ORDERED.



ESTELA M. PERLAS-BERNABE
Associate Justice


WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson

³⁷ *Peñafrancia Sugar Mill, Inc. v. Sugar Regulatory Administration*, G.R. No. 208660, March 5, 2014.



ARTURO D. BRION
Associate Justice


MARIANO C. DEL CASTILLO
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice


ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
Chief Justice