

| MICHAEL DEWAYNE BROWN, Complainant,                                    | }<br>}<br>} | IPV No. 10-2012-00004 For: Copyright Infringement |
|--|-------------|---|
| -versus-   | }<br>}<br>} |   |
| AMERICAN ENGLISH SKILLS DEVELOPMENT CENTER INC., ET. AL., Respondents. | }<br>}<br>} |   |
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#### NOTICE OF DECISION

CUISON DAGUINOD MENDOZA-MARTELINO LAW **OFFICES** 

Counsel for the Complainant Suite B, 6th Floor, Basic Petroleum Building GERLIE POGO No. 213 Argao Street, Candelaria

104 C. Palanca Street, Legaspi Village Makati City

EDWIN M. ALVAREZ **BELLA M. ALVAREZ** 

Respondents

4323 Quezon Province

**ARMILYN MORILLO-BUJIS NANCY C. MORILLO CRISTINE P. ROCA** 

Respondents c/o American English Skills Development Center, Inc. Unit 1705, Antel Corporate Center 121 Valero Street, Salcedo Village Makati City

ATTY. ALEXANDER JOHN ANDRADA **VILLANUEVA** 

1-19-16

Counsel for the Respondent Morillo-Bujis Makati Executive Center Room 506 V.A. Rufino corner L.P. Leviste Streets roud by. Malou taying 1-19-16 Makati City

## **GREETINGS:**

Please be informed that Decision No. 2016 - 01 dated January 08, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, January 08, 2016.

For the Director:

Atty. EDWIN DANILO A. DATING Director III

Bureau of Legal Affairs

Republic of the Philippines INTELLECTUAL PROPERTY OFFICE

Intellectual Property Center # 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio, Taguig City 1634 Philippines •www.ipophil.gov.ph T: +632-2386300 • F: +632-5539480 • mail@ipophil.gov.ph



| MICHAEL DEWAYNE BROWN,  Complainant, | ] IPV No.: 10-2012-00004    |
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|                                      | ]                           |
| AMERICAN ENGLISH SKILLS              | ]                           |
| DEVELOPMENT CENTER INC.,             | ]                           |
| ET AL.,                              | ]                           |
| Respondents.                         | ]                           |
| x                                    | x Decision No. 2016-        |

#### DECISION

MICHAEL DEWAYNE BROWN ("Complainant"), an American citizen, with address at 1814 Medical Plaza Building, Amorsolo Street, Legaspi Village, Makati City, filed a Complaint for Copyright Infringement against Armilyn Morillo-Buijs, Nancy C. Morillo, Edwin M. Alvarez, Bella M. Alvarez, Cristina P. Roca and American English Skills Development Center, Inc., a domestic corporation with business address at Unit 1705 Antel Corporate Center, 121 Valero Street, Salcedo Village, Makati City ("Respondents"), due to Respondents' unauthorized copying and/or appropriating Complainant's work entitled Conversational English Study Guide First Edition, as their own and used it in teaching English communication skills to Respondents' paying clients.

# The Complainant alleges the following:

- "3. Complainant is the creator and author of a work which is intended to teach, enhance and improve one's proficiency in the English language. He started preparing his working draft on said material since October 2007, copies of the same are herewith attached  $x \times x$
- "4. Sometime in August 2010, Morillo-Buijs, acting as an agent or representative of AESDCI, deposited a copy of a work entitled "Conversational English Study Guide (First Edition)" with the National Library of the Philippines ("National Library") in order to apply for its copyright registration. Copy of the Application for Copyright dated 16 August 2010, Affidavit, Certificate of Copyright Registration and Deposit dated 1 September 2010, and Official Receipt No. 0242095 are hereto attached x x x
- "5. In the Affidavit attached by Morillo-Buijs to the 16 August 2010 Application for Copyright, she stated therein under oath to wit:

 $x \times x$ 

"6. Contrary to the foregoing representation of Morillo-Buijs, complainant never assigned or in any way transferred his rights to his work or any part thereof to AESDCI or to any person. Furthermore, complainant never

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waived, expressed or implied, any of his rights over the subject work in favor of respondents or any other person.

- "7. Moreover, copies of "Conversational English Study Guide (First Edition)" were reproduced by respondents as a teaching material in its classes and uses said word in teaching English communication skills to its paying clients without the authority or consent of complainant which results in profitable advantage in favor of respondents. In addition, respondents conspicuously displays and continues to display copies of said work inside the premises of its principal business address and sells copies of the same under the title "Don't Speak Good, Speak Well."
- "8. In a letter dated 5 January 2012, complainant made a demand upon respondents to perform the following within ten (10) days from its receipt of said letter: (a) cease and desist from using his work; (b) deliver copies of said work to complainant; (c) cancel Registration No. A2010-1995 which was granted by the National Library when it applied copyright registration of said work. However, more than ten (10) days has passed since their receipt of said letter on 6 January 2012 and the demands therein have remained unheeded. Copy of the letter dated 5 January 2012 is herewith attached as  $x \times x$

#### "FIRST CAUSE OF ACTION

- "9. Complainant reproduces, repleads and incorporates all the preceding relevant averments and made an integral part hereof and further states, that:
- "10. Notwithstanding complainant's demand letter dated 6 January 2012, respondents refused, failed and continue to refuse compliance thereto. It cannot be gainsaid that the act of respondents in securing copyright registration for complainant's work by maliciously misrepresenting that the latter assigned his work to AESDCI is violative of complainant's right as the author and creator of such work.
- "11. The manner in which Morillo-Buijs sought copyright registration over complainant's work is indisputably attended with bad faith, fraud, and malice. Furthermore, the act of falsely representing that said work was assigned to AESDCI shows her cavalier attitude and wanton disregard of the moral and economic rights of complainant over his work.
- "12. Due to the unauthorized use by respondents of the work of complainant, the former should be ordered to cease from using said work in its business and deliver all copies thereof in their possession to complainant.
- "13. In light of the fact that the work was never assigned by complainant to respondents, the latter should therefore be ordered to cancel Certificate of Copyright Registration and Deposit No. A2010-1995.

# "SECOND CAUSE OF ACTION

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- "14. Complainant reproduces, repleads and incorporates all the preceding relevant averments and made an integral part hereof and further states, that:
- "15. By using the work of complainant as an instructional material in the operation of its business and selling copies thereof, respondents gained profits. Accordingly, respondents should be adjudged jointly and severally liable to pay actual damages in favor of complainant in the amount of Php300,000.00.

#### "THIRD CAUSE OF ACTION

- "16. Complainant reproduces, repleads and incorporates all the preceding relevant averments and made an integral part hereof and further states, that:
- "17. Due to the malicious act of Morillo-Buijs in securing cocpyright registration of complainant's work and the unauthorized use and reproduction thereof, the complainant suffered mental anguish, physical suffering and sleepless nights. Complainant was shocked and suffered serious anxiety over the high-handed attitude of respondents in securing copyright registration of his work without his consent. Consequently, respondents must be adjudged jointly and solidarily liable to pay moral damages, which by its nature is incapable of pecuniary estimation but may be reasonably assessed in the amount of Php300,000.00.

#### "FOURTH CAUSE OF ACTION

- "18. Complainant reproduces, repleads and incorporates all the preceding relevant averments and made an integral part hereof and further states, that:
- "19. Due to the nonchalant and indifferent treatment of respondent on the 6 January 2012 demand letter, complainant was constrained to secure and retain the services of a competent lawyer in order to protect his interest. Consequently, respondents must be adjudged jointly and severally liable to pay attorneys fees and cost of suit.

# ALLEGATIONS IN SUPPORT OF THE PRAYER FOR THE ISSUANCE OF PRELIMINAY INJUNCTION

- "20. Complainant reproduces, repleads and incorporates al the preceding relevant averments and made an integral party hereof and further states, that:
- "21. The subject work is being used by respondents as instructional material in the operation of its business. In addition, it is also selling copies of the subject work. Verily, respondents are reaping and enjoying the economic and moral rights over the subject work which legally belongs to complainant.
- "22. Respondents clearly showed temerity and audacity in disregarding the rights of complainant notwithstanding written demand to stop

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and refrain from using his work. In light of the foregoing, complainant is entitled to the relief of injunction if only to restrain respondents from unlawfully using complainant's work.

- "23. Complainant is willing to file a bond executed in favor of the respondents in an amount to be fixed by this Honorable Office which will answer for any damage that the respondents may sustain by reason of the injunction if this Honorable Office should finally decide that the complainant is not entitled thereto.
- "24. Finally, it is indisputable that complainant is the creator and author of the subject work which is being used by respondents in the operation of its business. The right of complainant would be gravely prejudiced if respondents are allowed to continue using it without the authority and consent of complainant.

The Complainant's evidence consists of the Complainant's handwritten working notes; print-out of the properties of the Study Guide attributing authorship to Complainant; a copy of a work prepared and created by Complainant consecutively numbered and paginated from two (2) to twenty four (24); the Communication Skills Study Guide prepared and created by Complainant consisting of Eighty Seven (87) pages including the title page; the Conversational English Study Guide prepared and consecutively numbered by Complainant and paginated from One (1) to One Hundred Twenty Five (125); application for Copyright dated 16 August 2010; affidavit dated 12 August 2010 executed by Respondent Morillo-Buijs; Certificate of Copyright Registration and Deposit dated 1 September 2010; Official Receipt Number 0242095 dated 3 January 2012; demand letter dated 5 January 2012; signature of Atty. Pelagio Lawrence N. Cuison, counsel for Complainant; Consultancy Agreement 13 July 2009; print-out of the American English Skills Development Center, Inc.'s ('AESDCI") website prior to its modification; copy of official company profile; print-outs of electronic mails from Respondent Morillo-Buijs; email address of Respondent Morillo-Buijs; email dated 26 January 2011 from Respondent Morillo-Buijs; email address of Complainant; email address of Respondent Morillo-Buijs; official company record denominated as "Mike's Expenses-December 2009"; print-out of the email thread dated 2 September 2010; email address of Complainant; email address of Respondent Morillo-Buijs; judicial affidavit dated 8 September 2013.1

Complainant also presented his witnesses, namely: Complainant Michael Dewayne Brown and Atty. Pelagio Lawrence N. Cuison.

Respondent, through Counsel, filed their Consolidated Answer and interposed the following:

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<sup>&</sup>lt;sup>1</sup> Marked as Annexes "A" to "R", inclusive.

### "Specific Denials

- 1. "Respondents specifically deny complainant Brown's address in paragraph one (1) of the complaint for lack of personal knowledge as to its truthfulness or falsity. Note however that the given address "1814 Medical Plaza Building, Amorsolo Street, Legaspi Village, Makati City" is the same address as that of his counsel.
- 2. "Respondents specifically deny paragraphs six (6) up to twenty four (24) of the complaint for being outrageously false and for reasons hereinafter provided.

### "Admissions

3. "Respondents admit paragraph 2 of the complaint with the qualification that respondents Bella and Edwin Alvarez are no longer shareholders of respondent corporation by virtue of their assignment of their shares of stock in favor of Arvin K. Gatmaitan as evidenced by the Certificates Authorizing Registration true copies of which are attached as x x x

## "Special and Affirmative Defenses

4. "Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines provides, the following:

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- 5. "From the foregoing, no copyright infringement may be imputed on respondents.
- 6. "This is evident from the following indubitable facts.
- 7. "Complainant Brown claims he is an owner of respondent corporation American English. In his Facebook page, American English, complainant Brown, alleges:

'In 2006, Mylene Morillo and I started AE together. She was unemployed at the time, and she had no means of income. Even though she did not contribute 1 single peso of her own money, I agreed that we would be equal partners.  $x \times x'$ 

- 8. "Respondents attach a true copy of the said Facebook message as Annex "3" to form an integral part hereof.
- 9. "Complainant Brown even claims to be the Vice-President for Products and Development of respondent corporation American English. This is evidenced by his Linkln profile and his September 12, 2010 email to a stockholder, Arvin Gatmaitan a true copy of which are attached  $x \times x$
- 10. "In said email, complainant Brown asserted ownership of respondent corporation American English when he wrote:

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'I am offering you a near-equal level of ownership, with a plan to make us all equal. I do not plan to exclude Mylene. She has talent in sales, and that talent is valuable to us. But I don't believe she can lead the company out its current failing condition.

'If you believe that Mylene can make this year different, please tell me. If so, I will demand the money I have put in and I will leave the company to you two.'

- 11. "If complainant Brown claims ownership of respondent corporation American English, how then can respondents be liable for copyright infringement of the handbook 'Conversational English Study Guide [First Edition]' when it was applied for copyright protection in the name of respondent corporation American English (Annex 'F') n August 16, 2010?
- 12. "Notwithstanding, the preparation of the handbook 'Conversational English Study Guide [First Edition]' is part of complainant Brown's regular duties using the time, facilities and materials of respondent corporation American English and is the result of the performance of his regularly-assigned duties.
- 13. "Note further that there is NO agreement, express or implied, to the contrary. That is, that 'Conversational English Study Guide [First Edition]' shall exclusively be owned by complainant Brown.
- 14. "Complainant Brown miserably failed and continues to fail to substantiate his allegation that he owns the copyright to 'Conversational English Study Guide [First Edition]'.
- 15. "If he did own it, why did he not seek its copyright registration?
- 16. "In fact, complainant Brown even admitted that respondent corporation has ownership in the handbook 'Conversational English Study Guide [First Edition]' when he wrote respondent Mylene Morillo-Buijs an email on September 2, 2010, stating among others, that:

'My website is almost ready to go, so I'll just take it and I'll do my online training. That should not affect AE, since you don't plan to use it anyway. And I'll take my flashcards and market them the way I think best. I'm willing to share ownership of the study guide, although I wrote it cover to cover. I won't do any corporate training, so I won't interfere with your market here.'

- 17. "Respondents attached a true copy of complainant Brown's email as Annex '6' to form an integral part hereof.
- 18. "This is consistent with complainant Brown's April 28, 2009 email to respondent Buijs when he turned over said training manual to respondent corporation. A true copy of said email is attached  $x \times x$
- 19. "It is significant that said write protected training manual already contained the inscription 'copyright @ American English Skills Development Center Inc.' No one could have done that except complainant Brown alone.

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- 20. "This is express admission that respondent corporation is the true owner of the training manual and its derivatives.
- 21. "There is thus no copyright infringement. Jurisprudence teaches:

'The essence of intellectual piracy should be essayed in conceptual terms in order to underscore its gravity by an appropriate understanding thereof. Infringement of a copyright is a trespass on a private domain owned and occupied by the owner of the copyright, and, therefore, protected by law, and infringement of copyright, or piracy, which is a synonymous term in this connection, consists in the doing by any person, without the consent of the owner of the copyright, of anything the sole right to do which is conferred by statute on the owner of the copyright.'

- 22. "In fact, the one who may be liable for copyright infringement, is complainant Brown himself when he copies certain entries for the Purdue University Online English Lab and incorporated it in said training manual. Respondents attach true copies of the relevant pages as Annex '7' to form an integral part hereof. The copying was timely discovered upon review by Cindy Ong Gatmaitan and corrected.
- 23. "From the foregoing, the complaint is quite clearly without merit and intended to harass respondents.

The Respondents' evidence consists of Complainant Brown's Facebook Page, American English; copy of the September 12, 2010 email to a stockholder, Arvin Gatmaitan; copy of the Linkln profile; Complainant Brown's email to respondent Armilyn dated September 2, 2010; copy of Complainant Brown's April 28, 2009 email to respondent Buijs when he turned over said training manual to respondent corporation; copy of relevant Purdue University Online English Lab that Complainant Brown incorporated in the training manual; copy of Makati Prosecution Office March 6, 2013 Motion to Withdraw Information in Crim. Case No. 12-2003 RTC Manila City Branch 149; copy of the 19 March 2013 Order of the Office of the City Prosecutor-Makati in NPS No. XV-05-INV-12C-01002; copy of March 25, 2013 Order granting Motion to Withdraw Information in Crim. Case No. 12-2003 RTC Makati City Branch 149; copy of Complainant Brown's March 01, 2006 Fixed Term Contract with Respondent Corporation; copy of Complainant Brown's July 09, 2009 Contract with Respondent Corporation; page 4 of Exhibit 11; Annex "A" of Exhibit 11; page 12 and 13 of the actual printed handbook "Conversational English Study Guide [First Edition]"; copy of May 30, 2013 FULLY BOOKED letter to Respondent Armilyn signed by Denise C. Velasquez, Purchasing Manager; copy of Complainant's internet message to FULLY BOOKED; 1st sentence appearing on par. of Exhibit N-4; 2nd paragraph of Exhibit N-4; copy of the collective mark of the folder containing 21 pages copyrighted work of others that complainant Brown plagiarized; copy of Metrobank Check Nos. 270081140, 2700811839 and 37 payable to Smart Communications, PLDT and to Cash issued and signed by Complainant; copy of Page 12 and 13 of the book "Conversational English Study Guide [First Edition]";

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copy of the portion when Complainant Brown wrote "copyrighted" and strike a diagonal line on the page 12 of the "Conversational English Study Guide [First Edition]" and copy of the portion where Complainant Brown strike through Two (2) diagonal line on page 12 and 13 of the book "Conversational English Study Guide [First Edition]".<sup>2</sup>

Respondents presented Respondent Ms. Armilyn C. Morillo-Buijs, President of American English Skills Development Center, Inc.

As per Order No. 2014-48 dated 02 April 2014, the parties were given fifteen (15) days from receipt of the Order to file their respective Memorandum. Complainant filed his Memorandum on 16 May 2014. Respondent filed theirs on 02 May 2014.

# Main Issue

- 1. Whether or not there is infringement of Complainant's copyright.
- 2. Whether or not Complainant is entitled to an award for damages.

# Discussion

The rights of both parties have to be examined based upon the law and the relevant facts established in this case. It behooves upon this Bureau to examine thoroughly whether Respondents' circumstances comports with a finding of copyright infringement.

Before this Bureau is an administrative case or a suit for infringement of copyright with damages and prayer for issuance of Preliminary Injunction and/or Cease and Desist Order. On 09 October 2012, this Bureau issued Order No. 2012-71 which denied the application for a writ of of Preliminary Injunction. The Bureau in its Order resolved, to wit:

"After a judicious evaluation of the complaint, the Respondents' Consolidated Answer and the evidence at hand, this Bureau finds no cogent reason to issue a writ of injunction against the Respondents. While the Bureau agrees that the invasion of copyright is material and substantial, and that there is an urgent necessity to issue the writ to prevent serious damage, the evidence is insufficient to establish that the Complainant's rights allegedly violated is clear and unmistakable. In fact, copyright

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<sup>&</sup>lt;sup>2</sup> Marked as Exhibits "1" to "19", inclusive.

ownership over the contested works is the very heart of the controversy, the resolution of which require a full-blown trial, to assess the parties' respective evidence and arguments. Aptly, the Complainant's claim of ownership is disputed by the Respondents whose position is supported by an alleged Certificate of Copyright Registration No. A2010-1995.

WHEREFORE, Complainant's application for issuance of a Writ of Preliminary Injunction is DENIED for lack of merit."

What constitutes copyright infringement? To constitute infringement, the usurper must have copied or appropriated the "original" work of an author or copyright proprietor; absent copying, there can be no infringement of copyright.<sup>3</sup> Section 177 of R.A. 8293, otherwise known as the Intellectual Property Code of the Philippines, provides:

"SEC. 177. Copy or Economic Rights. – Subject to the provisions of Chapter VIII, copyright or economic rights shall consist of the exclusive right to carry out, authorize or prevent the following acts:

177.1. Reproduction of the work or substantial portion of the work;

 $x \times x$ 

In the complaint, Complainant alleged that the act of Respondents in obtaining and depositing a copy of his work entitled "Conversational English Study Guide (First Edition)" with the National Library of the Philippines and secured copyright registration in the name of Respondent AESDCI, without his authority or consent t, constitutes infringement of Complainant's copyright over his work. Complainant's work consists of, but not limited to, 1) the Communication Skills Study Guide and 2) the Conversational English Study Guide which he created to teach, enhance and improve one's proficiency in the English language. When asked what proof can he show that Respondents used his work without his permission, he answered that he had with him the following documents: a) Application for Copyright dated 16 August 2010; b) Affidavit dated 12 August 2010 executed by Respondent Morillo-Buijs; c) Certificate of Copyright Registration and Deposit dated 1 September 2010; and d) Official Receipt Number 0242095 dated 3 January 2012.4 Respondent Morillo-Buijs, on the other hand, interposed as defense and raised as issue the claim of Complainant as equal partner and part owner of Respondent AESDCI, to whose favor the copyright registration was issued.

It is undisputed in the evidence, testimonial and documentary, that Complainant Michael Dewayne Brown prepared the manual. On this point, we take note of Respondent's witness Morillo-Buijs testimony:

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<sup>&</sup>lt;sup>3</sup>Pacita I. Habana, et al vs. Felicidad C. Robles, et al, G.R. No. 131522, July 19, 1999.

<sup>&</sup>lt;sup>4</sup>Question No. 14, Complainant's Judicial Affidavit dated 09 September 2013.

ATTY. VILLANUEVA:

You said that version, what version are you

referring to?

MS. WITNESS:

The old version, this one. We cannot insert

the corrected part.

ATTY. VILLANUEVA:

Why could you not insert the corrected

part?

MS. WITNESS:

Because the file is locked with Mr. Brown and it is locked in his computer so we have to give him all the files so he will input it the corrected one because he is working together with them. So, he will input and after he input that he will send it to the secretary and the secretary printed all the documents then gave it to me. I signed the application for the copyright at that time on August 12 and when I go they put it in the National Library. [TSN, November 7, 2013, p.

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ATTY. VILLANUEVA:

In the first paragraph he says, here's the training manual cover page. What training manual and cover page is he referring to, if

you know, Ms. Murillo-Buijs?

MS. WITNESS:

This is the last version of the book made by Michael Brown which is presented this book as an exhibit and this is the final copy

which you know...

ATTY. VILLANUEVA:

It says on the last paragraph, I said it, right protected, what is your understanding of right protected, if you know, Ms. Murillo-

Buijs?

MS. WITNESS:

My understanding is we cannot touch because he explains to me that nobody can touch it, nobody can edit and he did not so that, you know, even the printed will not be able to touch it. [TSN, November 7, 2013,

pp. 51-52] (Emphasis supplied)

When Complainant prepared the manual, he may have the manual copyrighted immediately to protect his intellectual creation, but he did not choose to protect it by a copyright. Instead, the name of AESDCI appeared in the many versions of his work<sup>5</sup>. It will be observed that in the copies of Complainant's work which included the Communication Skills Study Guide<sup>6</sup> and The Conversational English Study Guide<sup>7</sup>, the words "Copyright@AESDCI" appeared in the footer without Complainant's name appearing as author thereof. Complainant confirmed the placing of the words "Copyright@AESDCI" in the manual when he testified that:

ATTY. VILLANUEVA:

And would you know who placed those

words, copyright AESDCI in this

document?

MR. WITNESS:

I did.

ATTY. VILLANUEVA:

And you confirm that you are the one who

placed this words, Copyright@AESDCI in

each page.

MR. WITNESS:

I did.

ATTY. VILLANUEVA:

How did you put those words on each

page of that document?

MR. WITNESS:

There is a footer in the computer of

Microsoft word. [TSN, September 24, 2013,

pp 18-19]

In another part of his testimony, Complainant even stated that he shared his work with his co-owners, acknowledging that ownership over his work is shared with his co-partner/s in AESDCI, thus:

ATTY. VILLANUEVA:

The word. Did you transmit your supposed

work or this exhibit "D", did you transmit it

to any of the Respondents?

MR. WITNESS:

I share my written words with my co-

owners. [TSN, September 24, 2013, p. 20]

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<sup>&</sup>lt;sup>5</sup> Exhibits "C' to "E", inclusive.

<sup>&</sup>lt;sup>6</sup> Exhibit "D" for the Complainant.

<sup>&</sup>lt;sup>7</sup> Exhibit "E" for the Complainant.

If indeed AESDCI is the true owner of the copyright or the manual prepared by Complainant , the question now is: who are the members composing or representing AESDCI? Complainant, in his direct examination on September 24, 2013, shed light as to who owns the corporation, that is:

ATTY. VILLANUEVA:

And when you say co-owners, who are you

referring to, Mr. Brown?

MR. WITNESS:

The co-owners of the company are write here clear, specifically Ms. Morillo the President of the Company. [TSN, September

24, 2013, p. 21] (Emphasis supplied)

Be it noted, however, that, a corporation is a juridical person distinct from the members composing it. Properties registered in the name of the corporation are owned by it as an entity separate and distinct from its members.<sup>8</sup> While Complainant and Respondent Morillo-Buijs are the members composing Respondent AESDCI, Complainant alone can not be held to be the owner of AESDCI, but the entire membership of the corporation. It should be noted that in the application and registration for copyright, it bears the name of Respondent AESDCI as the claimant of copyright in the work and not Respondent Morillo-Buijs who acted only as representative of AESDCI.

During the partnership/incorporation of Respondent AESDCI, or while Complainant was still connected with the respondent corporation, the following transpired:

- 1) The preparation and drafting of the training manual by Complainant Michael Dwayne Brown;
- 2) The copyright registration of "Conversational English Study Guide [First Edition]"initially prepared and drafted by Complainant;
- 3) The execution of the Fixed Term Contract in 2006 and Consultancy Agreement in 2009 which designated and/or appointed Complainant as Director and Instructor

At this point this Bureau deemed it necessary to pass upon the nature of relationship of Complainant and Respondent AESDCI. In March 2006, upon establishment of Respondent AESDCI, a Fixed Term Contract was executed appointing Complainant as Contract Director for training in AESDCI. After the contract term expired, a Consultancy Agreement followed in 2009, this time

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<sup>&</sup>lt;sup>8</sup> Ricardo S. Silverio, Jr. et. al. vs. Filipino Business Consultants, Inc., G.R. No. 143312, August 12, 2005.

engaging the services of Complainant as Instructor for AESDCI and defining his scope of work as follows:

"Duties and Responsibilities:

- Develop Training Policies and Procedures Manual and monitors adherence to its implementation to ensure efficiency in the delivery of training and development.
- Develop and Write Training Manuals, English Educational Materials and Lesson Plans.
- Research and Development of New Products
- Writing Articles for Publication to major news papers
- Making Power Point Presentation for Public Speaking Engagement
- Develop other English Training Materials
- Supervise the preparation of training manuals if assigned to instructors
- Work with training team to design competency-based training and development curriculum for various positions in the organization to provide a systematic approach to training and development." (Emphasis supplied)

While the latter contract is denominated as Consultancy Agreement, yet the description of Complainant's duties and responsibilities states otherwise. Also, his engagement under the Agreement is on an exclusive basis, and as such it has invested in Complainant the status of a regular employee. Article 280 of the Omnibus Rules Implementing the Labor Code states:

"ARTICLE 280. Regular and casual employment. — The provisions of written agreement to the contrary notwithstanding and regardless of the oral agreements of the parties, an employment shall be deemed to be regular where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer except where the employment has been fixed for a specific project or undertaking, the completion or termination of which has been determined at the time of the engagement of the employee or where the work or service to be performed is seasonal in nature and the employment is for the duration of the season." (Emphasis supplied)

Being a regular employee who originally prepared the manual, specifically, the Conversational English Study Guide, it is Respondent AESDCI who truly owns the copyright. Section 178.3 of R.A. 8293 provides that:

"178.3. In the case of work created by an author during and in the course of his employment, the copyright shall belong to:

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(b) The employer, if the work is the result of the performance of his regularly-assigned duties, unless there is an agreement, express or implied, to the contrary.  $x \times x$ 

In the employment contracts of Complainant with Respondent AESDCI, there was no agreement to the contrary, express or implied. Thus, it is not Complainant Michael Dewayne Brown nor Respondent Morillo-Buijs who owns the copyright but Respondent AESDCI.

WHEREFORE, premises considered, the instant complaint is hereby DISMISSED for lack of merit.

SO ORDERED.

Taguig City, 08 January 2016.

NATHANIEL S. AREVALO Director, Bureau of Legal Affairs