

Title	<b>KOLIN ELECTRONICS CO., INC. vs. KOLIN PHILIPPINES INTERNATIONAL, INC</b>
Citation	G.R. No. 228165, Feb 09, 2021
Topic	Intellectual Property Law - Focused on Dominancy Test and Holistic Test (TRADEMARK)
Parties Involved	<b>Petitioner: KOLIN ELECTRONICS CO., INC.</b> <b>Respondent: KOLIN PHILIPPINES INTERNATIONAL, INC.</b>
Issue	<b>The main issue in this case is whether KPII should be allowed to register its “KOLIN” mark.</b>
Doctrine	The Court held that in assessing confusing similarity between trademarks, the Dominancy Test — which gives primary weight to the dominating features of the marks — controls over broader holistic approaches; registration of a mark confusingly similar to a prior mark covering related goods should be denied to protect the prior registrant’s rights, particularly when there is evidence of actual confusion and bad faith. This doctrine reaffirms protection against registrations that would cause damage to earlier users or registrants and emphasizes the need to prevent consumer deception.
Summary	The Supreme Court categorically abandoned the Holistic/Totality Test and held that the Dominancy Test is the controlling standard for determining resemblance/confusing similarity of marks under the IP Code. Because the dominant feature of KPII’s mark (“kolin”) substantially captured the dominant feature of KECI’s “KOLIN,” and the Court applies the Dominancy Test (not Holistic), the resemblance prong of likelihood of confusion was satisfied—supporting denial of registration under the IP Code.
Facts	<p>Kolin Electronics Co., Inc. (Kolin Electronics) filed opposition to the trademark application of Kolin Philippines International, Inc. (Kolin Philippines) for registration of the mark "KOLIN" covering certain electrical and electronic goods. The controversy arose against a background of prior filings and disputes over marks and corporate names involving related parties and predecessors; Kolin Electronics asserted prior use and registration of KOLIN marks for specific products and services in the Philippines and pointed to the reputation, goodwill, and market presence associated with its mark. Kolin Philippines sought registration for similar goods, and the Intellectual Property Office (IPO) Director General initially denied the opposition and gave due course to Kolin Philippines’ application, prompting Kolin Electronics to appeal to the Court of Appeals (CA).</p> <p>The CA reversed the IPO Director General, finding that Kolin Philippines’ applied-for mark should not be registered in view of confusing similarity with Kolin Electronics’ prior marks and the relatedness of the goods; Kolin Philippines then sought further review by filing a petition with the Supreme Court. The record included evidence of actual instances of consumer confusion in the marketplace and competing claims as to who had prior rights to the mark in the Philippines, as well as submissions addressing whether the contested registrations and uses were in bad faith. The litigation record also reflected antecedent disputes among affiliates and predecessors in prior administrative and judicial proceedings bearing on ownership and rights to the KOLIN name in various classes of goods.</p> <p>Both parties presented extensive documentary and testimonial evidence concerning dates of first use, registrations, distribution channels, advertising, and market recognition. Kolin Electronics argued that registration of Kolin Philippines’ mark</p>

	<p>would damage their established goodwill and cause confusion among purchasers of related electrical and electronic products; Kolin Philippines countered that its application covered different products or classes and emphasized distinctions in trade channels and house marks, claiming no intent to appropriate Kolin Electronics' goodwill.</p>
Argument of the Petitioner/s	<ul style="list-style-type: none"> <li>• Kolin Electronics argued that <b>its prior registrations and continuous use of KOLIN for related electrical products established superior rights and that the applied-for mark would create confusing similarity and damage its goodwill.</b></li> <li>• It asserted evidence of actual market confusion and bad faith by Kolin Philippines in seeking registration for identical or virtually identical marks covering related goods.</li> <li>• Kolin Electronics maintained that the <b>Dominancy Test favored its position because the dominating feature ("KOLIN") is identical and likely to cause consumer confusion.</b></li> </ul>
Argument of the Respondent/s	<ul style="list-style-type: none"> <li>• Kolin Philippines contended that the goods and channels of trade for its applied-for registration were sufficiently different, mitigating the likelihood of confusion.</li> <li>• It argued that <b>its mark had distinct design elements or house marks</b> and that no bad faith or intent to appropriate prior goodwill was proven.</li> <li>• Kolin Philippines maintained that the IPO acted correctly in giving due course to its application and that prior registrations of Kolin Electronics did not automatically bar its registration.</li> </ul>
Case Trial	<ul style="list-style-type: none"> <li>• IPO Director General (first instance): Gave due course to Kolin Philippines' trademark application and denied Kolin Electronics' opposition.</li> <li>• Court of Appeals (CA): Reversed the IPO Director General, sustained Kolin Electronics' opposition, and denied registration to Kolin Philippines.</li> <li>• CA Resolution: Denied reconsideration by Kolin Philippines, prompting a petition for review to the Supreme Court.</li> </ul>
Ruling	<p>The Court clarified applicable legal standards: (1) the Dominancy Test is the controlling method for assessing mark resemblance (Section 155.1 IP Code codifies dominancy and the legislative history supports abandoning the holistic test); (2) the Holistic/Totality Test has been abandoned for purposes of determining resemblance</p> <p><b>"Applying the Dominancy Test here, KPII's kolin mark resembles KECI's KOLIN mark because the word "KOLIN" is the prevalent feature of both marks. Phonetically or aurally, the marks are exactly the same. Surely, the manner of pronouncing the word "KOLIN" does not change just because KPII's mark is in lowercase and contains an italicized orange letter "i". In terms of connotation and overall impression, there seems to be no difference between the two marks."</b></p> <p>To summarize the discussion: (1) there is resemblance between KECI's KOLIN and KPII's kolin marks; (2) the goods covered by KECI's KOLIN are related to the goods covered by KPII's kolin; (3) there is evidence of actual confusion between the two marks; (4) the goods covered by KPII's kolin fall within the normal potential expansion of business of KECI; (5) sophistication of buyers is not enough to eliminate confusion; (6) KPII's adoption of KECI's coined and fanciful mark would greatly contribute to likelihood of confusion; and (7) KPII applied for kolin in bad faith. Thus, KPII's application for kolin should be denied because it would cause likelihood of confusion and KECI's rights would be damaged.</p>

Ratio Decidendi	Identical or dominant similarity in the main, attention-commanding element of marks, coupled with relatedness of goods and evidence of actual confusion (and where applicable, bad faith), mandates refusal of registration; the Dominancy Test is the controlling standard in this assessment to prevent consumer deception and to protect prior rights.
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Title	ZUNECA PHARMACEUTICAL, AKRAM ARAIN AND/OR VENUS ARAIN, M.D., AND STYLE OF ZUNECA PHARMACEUTICAL, PETITIONERS, VS. NATRAPHARM, INC., RESPONDENT.
Citation	G.R. No. 211850, 08 September 2020
Topic	Intellectual Property Law - Focused on Prior User (TRADEMARK)
Parties Involved	<b>Petitioner: ZUNECA PHARMACEUTICAL</b> <b>Respondent: NATRAPHARM, INC.</b>
Issue	<b>Whether a first-to-file registrant in good faith (Natrapharm) defeats a prior user in good faith (Zuneca)</b>
Doctrine	<b>Ownership of a trademark under the IP Code is acquired by valid registration;</b> however, a prior user in good faith before the filing or priority date of a registered mark is protected and may continue using the mark for the same business, subject to limitations on transfer. The decision affirms that registration confers the prima facie right of ownership, while the prior-user doctrine operates as a narrow exception to avoid unfairness to those who adopted a mark in good faith before the registrant's priority.
Summary	Zuneca claimed it was the first user of the "ZYNAPS" mark and argued that this prior use should prevail over Natrapharm's later registration of a confusingly similar mark. Natrapharm, as registrant, asserted ownership based on the IP Code's registration regime. The dispute reached the Supreme Court primarily to resolve whether prior use still determines ownership under the IP Code, and what protection a prior user may have against a registrant.
Facts	<p>Zuneca Pharmaceutical (petitioners) and Natrapharm, Inc. (respondent) engaged in a dispute over the right to use and own the trademark "Zuneca" (and related style/mark). Petitioners claimed prior use and asserted rights based on their earlier adoption and use of the mark in commerce, while respondent relied on its registration under the Intellectual Property Code as establishing ownership. The parties presented evidence concerning dates of first use, dates of registration filings, advertising and distribution activities, and the channels through which consumers associated the mark with each business.</p> <p>Petitioners argued that their continued use created goodwill and consumer recognition that predated respondent's registration, and that they acted in good faith when they adopted and used the mark; they sought protection under the prior-user principle to continue using the mark despite respondent's later registration. Respondent countered that its certificate of registration vested exclusive ownership and the statutory presumption of validity, which it invoked to enjoin petitioners from further use and to recover damages for infringement.</p> <p>The case turned on factual proofs of who used the mark first in commerce and whether any such prior use was in good faith and sufficiently established; both parties presented documentary and testimonial evidence aimed at establishing priority, the extent of market penetration, and the scope of goods and services associated with the mark. The litigation progressed through the trial court and appellate levels, bringing before the Court the legal interplay between statutory trademark registration and equitable protection for prior users.</p> <p>The Court had to consider statutory provisions of the IP Code regarding registration as prima facie evidence of ownership, the defenses and exceptions afforded to prior users, and the conditions under which a prior user's rights survive a subsequent registration by another. The factual matrix included dates of commercial activity,</p>

	publication and distribution of products bearing the mark, and evidence of consumer association and goodwill..
Argument of the Petitioner/s	<ul style="list-style-type: none"> <li>• Petitioners contended they had prior and continuous use of the mark before respondent's registration and thus acquired rights through actual commerce and goodwill.</li> <li>• They argued their adoption was in good faith and that equity and the prior-user rule allow continued use in their market segment despite respondent's registration.</li> <li>• Petitioners maintained that respondent's registration should not defeat their established business interests and right to use the mark for the same goods.</li> </ul>
Argument of the Respondent/s	<ul style="list-style-type: none"> <li>• Respondent asserted that its valid registration under the IP Code conferred ownership and the statutory presumption of validity and exclusivity.</li> <li>• It argued that registrant's rights prevail over later users and that petitioners' alleged use did not negate respondent's registered rights.</li> <li>• Respondent maintained that any user not possessing a pre-registration priority cannot legally appropriate the registered mark and should be enjoined.</li> </ul>
Case Trial	<ul style="list-style-type: none"> <li>• Regional Trial Court: resolved factual disputes on use, goodwill and infringement claims (trial-level findings addressed priority and credibility).</li> <li>• Court of Appeals: reviewed trial court determinations and addressed application of the IP Code and prior-user doctrine to the evidence.</li> <li>• The matter was elevated to the Supreme Court for final resolution of the interplay between registration and prior use.</li> <li>• The Supreme Court considered precedents and statutory interpretation of the IP Code in reaching its decision.</li> </ul>
Ruling	<p>The petition is PARTLY GRANTED and the Court hereby declares petitioners ZUNECA PHARMACEUTICAL AND/OR AKRAM ARAIN AND/OR VENUS ARAIN, M.D., AND STYLE OF ZUNECA PHARMACEUTICAL as the prior users in good faith of the "ZYNAPS" mark and accordingly protected under Section 159.1 of the Intellectual Property Code of the Philippines.</p> <p>The assailed Decision and Resolution of the Court of Appeals in CA-G.R. CV No. 99787, which affirmed the Decision of the Regional Trial Court of Quezon City, Branch 93 dated December 2, 2011, are AFFIRMED insofar as they declared respondent NATRAPHARM, INC. as the lawful registrant of the "ZYNAPSE" mark under the Intellectual Property Code of the Philippines, and are SET ASIDE insofar as they hold petitioners liable for trademark infringement and damages, directed the destruction of petitioners' goods, and enjoined petitioners from using "ZYNAPS". Petitioners' application for the issuance of a Temporary Restraining Order and/or Preliminary Injunction is DENIED.</p> <p>ZUNECA PHARMACEUTICAL AND/OR AKRAM ARAIN AND/OR VENUS ARAIN, M.D., AND STYLE OF ZUNECA PHARMACEUTICAL and NATRAPHARM, INC. are likewise ORDERED to: (1) indicate on their respective packaging, in plain language understandable by people with no medical background or training, the medical conditions that their respective drugs are supposed to treat or alleviate and a warning indicating what "ZYNAPS" is not supposed to treat and what "ZYNAPSE" is not supposed to treat; and (2) submit to the Court a written report showing compliance with this directive within thirty (30) days from receipt of this Decision.</p>
Ratio Decidendi	The controlling legal principle is that trademark rights under the IP Code are

primarily conferred by registration, but equitable protection exists for innocent prior users who can prove good-faith adoption and prior commercial use before the registrant's priority date.

The Court balanced statutory certainty from registration with equitable considerations to prevent the unjust dispossession of prior users; it required robust proof of prior use, continuity and good faith, and limited the survivability of prior-user rights to the scope of their established use.

The judgment thus harmonizes the IP Code's emphasis on registration with the common-law/prior-user protection, setting standards for proof and delimiting remedies.

Title	<b>FILIPINO SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS, INC., PETITIONER, VS. ANREY, INC., RESPONDENT.</b>
Citation	G.R. No. 233918. August 09, 2022
Topic	Intellectual Property Law (COPYRIGHT)
Parties Involved	<b>Petitioner: FILIPINO SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS, INC., PETITIONER (FILSCAP)</b> <b>Respondent: ANREY, INC.</b>
Issue	<b>Whether Anrey’s act of playing radio broadcasts containing copyrighted music through loudspeakers in its restaurants (commercial establishments) requires a license from FILSCAP/right holders, or is exempt (under Sec. 184 limitations, Sec. 185 fair use, or by foreign “homestyle/business exemptions”).</b>
Doctrine	<ol style="list-style-type: none"> <li>1. Foreign copyright exemptions (e.g., US “homestyle/business exemptions”) cannot be applied to determine exemptions from licensing or infringement in the Philippines; <b>Philippine law governs.</b></li> <li>2. Commercial playing of copyrighted music via radio-over-loudspeakers to entertain customers is not covered by Sec. 184 limitations and is not fair use under Sec. 185.</li> <li>3. Fair use is assessed by the four statutory factors, including commercial nature and market harm.</li> </ol>
Summary	The Supreme Court ruled that Anrey cannot avoid paying license fees/royalties by claiming it is a small business or that it merely “tuned in” to a radio broadcast. Relaying broadcasts through loudspeakers in a restaurant to enhance ambiance and profit is a commercial use, not within statutory limitations, and fails fair use because it is commercial, uses creative works in full, and harms the licensing market. US exemptions cannot be imported to create local exemptions not found in the IP Code.
Facts	<ul style="list-style-type: none"> <li>• Anrey operated restaurants open to the public and played radio broadcasts of songs through loudspeakers inside the establishments.</li> <li>• FILSCAP asserted its right to collect license fees/royalties for public performance of the copyrighted music played in Anrey’s restaurants.</li> <li>• The RTC absolved Anrey based on Sec. 184(i) (limitation for charitable/educational institutions not charging admission).</li> <li>• The CA affirmed and relied on US “homestyle/business exemptions.”</li> </ul>
Argument of the Petitioner/s	<ul style="list-style-type: none"> <li>• FILSCAP argued it may collect license fees/royalties regardless of admission fees and even if the music is played by tuning in to radio broadcasts, because the restaurants’ use is still a public performance for customers.</li> </ul>
Argument of the Respondent/s	<ul style="list-style-type: none"> <li>• Anrey claimed it was exempt because it did not charge admission fees and/or was a “small business” using limited equipment (two loudspeakers), invoking by analogy the US “homestyle/business exemptions.”</li> </ul>
Case Trial	<ul style="list-style-type: none"> <li>• RTC (Branch 6, Baguio City): Found Anrey not liable for infringement, relying on Sec. 184(i) and the lack of admission fees.</li> <li>• CA: Affirmed RTC; applied US “homestyle/business exemptions.”</li> </ul>

Ruling	<p>After a thorough review of the case, the Court finds merit to the petition and grants the petition</p> <ul style="list-style-type: none"> <li>● Sec. 184(i) was misapplied because the exemption is for charitable/educational institutions, not commercial restaurants.</li> <li>● US exemptions cannot be extended to Philippine cases; otherwise the Court would be legislating exemptions not found in the IP Code.</li> <li>● The radio-over-loudspeakers use to enhance profit is not within limitations and not fair use.</li> </ul>
Ratio Decidendi	<p><b>Governing rule (major premise)</b></p> <ul style="list-style-type: none"> <li>● Fair use factors under the IP Code include: purpose/character (commercial vs nonprofit), nature of work, amount/substantiality, and market effect.</li> <li>● Limitations and fair use must not be interpreted to conflict with normal exploitation or unreasonably prejudice the right holder's legitimate interests.</li> </ul> <p><b>Application to the facts (minor premise)</b></p> <ul style="list-style-type: none"> <li>● Anrey's restaurants are commercial establishments; playing music over loudspeakers is done to improve ambiance and enhance profit, even without a separate "music fee."</li> <li>● The use is commercial, the works are creative, the songs are played in full, and widespread free use would cause substantial adverse impact on the licensing market for music used by restaurants/bars/malls, etc.</li> </ul>

Title	<b>FILIPINO SOCIETY OF COMPOSERS AND PUBLISHERS, PETITIONER, VS. WOLFPAC COMMUNICATIONS, INC., RESPONDENT.</b>
Citation	G.R. No. 184661, February 25, 2025
Topic	Intellectual Property Law (COPYRIGHT)
Parties Involved	<b>Petitioner: FILIPINO SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS, INC., PETITIONER (FILSCAP)</b> <b>Respondent: WOLFPAC COMMUNICATIONS, INC.</b>
Issue	<b>Whether Wolfpac’s use of 20-second pre-listening samples on its website constitutes a public performance or otherwise infringes FILSCAP’s rights, and if so, whether such use is excused by fair use.</b>
Doctrine	The Court held that making musical works available via an online pre-listening function is a form of "communication to the public" under the IP Code and not a "public performance." Even when a communication to the public occurs, the fair use doctrine may permit short promotional samples that are transformative and serve consumer-protection and informational purposes, such that use may not constitute copyright infringement.
Summary	FILSCAP sued Wolfpac for using 20-second song samples in a website "pre-listening" feature that allowed potential customers to hear a short excerpt before downloading ringback tones. FILSCAP maintained Wolfpac’s pre-listening was a public performance (or at least a communication to the public enforceable by FILSCAP) and that Wolfpac lacked licenses and must pay royalties. Wolfpac countered that the feature constituted communication to the public (not public performance), that many samples were provided free and privately by individual users selecting them, and that fair use justified the samples as promotional. The RTC dismissed FILSCAP’s complaint, finding pre-listening did not amount to public performance and that fair use applied; FILSCAP elevated the matter to the Supreme Court. The Court examined statutory definitions, the parties’ agreements, deeds of assignment, and the four-factor fair use test under the IP Code; it concluded the pre-listening feature is communication to the public but Wolfpac’s specific use of 20-second samples qualified as fair use and did not constitute actionable copyright infringement.
Facts	FILSCAP is a collective management organization representing composers and publishers and collects license fees for public performance and related rights. Wolfpac operated a website that marketed ringback tones and allowed users to download ringtones; the site provided a 20-second "pre-listening" function so prospective buyers could hear an excerpt before purchase. FILSCAP discovered Wolfpac’s site and demanded Wolfpac secure performance licenses and pay royalties for works in FILSCAP’s repertoire; Wolfpac refused, contending the pre-listening feature was not public performance and therefore not subject to FILSCAP’s license requirements. FILSCAP filed a complaint for copyright infringement and damages in the RTC alleging Wolfpac publicly performed and communicated to the public FILSCAP members’ works without authorization.  In its answer, Wolfpac argued the pre-listening samples were free, accessible privately at times and places chosen by users, lacked independent commercial value, and were intrinsic to marketing downloadable ringtones; Wolfpac also relied on memoranda of agreement with composers purporting to authorize conversion to ringtones and related marketing. The RTC ruled that Wolfpac’s transmission or downloading of ringtones was a communication to the public but that the 20-second pre-listening did not amount to public performance and fell within fair use, noting

	<p>promotional sampling is customary and that certain deeds of assignment favored Wolfpac's activities.</p> <p>FILSCAP sought reconsideration which the RTC denied; it then filed a petition for review to the Supreme Court raising primarily legal questions on the characterization of the pre-listening function and the applicability of fair use. The parties submitted memoranda and the Court took up whether the pre-listening is public performance or communication to the public and whether Wolfpac's conduct infringed copyrights.</p> <p>The deeds of assignment between composers and FILSCAP generally granted FILSCAP exclusive rights to enforce public performing and communication to the public rights; Wolfpac's memoranda of agreement with composers authorized conversion into downloadable ringback tones and sale to the public but expressly reserved other rights not granted. The factual record showed the pre-listening excerpts were twenty seconds long and were made available via Wolfpac's website to potential customers who could play them at will before deciding to download the ringback tone.</p>
Argument of the Petitioner/s	<ul style="list-style-type: none"> <li>● FILSCAP: The pre-listening function is a public performance requiring a performance license and royalties because the samples are made audible to the public through the website.</li> <li>● FILSCAP: The RTC erred in applying fair use since the pre-listening is a commercial activity benefiting Wolfpac and serves no genuine public purpose, and the deeds of assignment did not authorize playing of samples.</li> </ul>
Argument of the Respondent/s	<ul style="list-style-type: none"> <li>● Wolfpac: The pre-listening samples constitute communication to the public, not public performance, because users access the samples at the place and time of their choosing, and some composers granted Wolfpac conversion and marketing rights.</li> <li>● Wolfpac: Even if a communication to the public occurred, the pre-listening is fair use — short, non-substantial excerpts used for promotion and consumer information without independent commercial value, thus not infringing.</li> </ul>
Case Trial	<ul style="list-style-type: none"> <li>● RTC, Branch 93, Quezon City: Dismissed FILSCAP's complaint, ruling pre-listening is not public performance and invoking fair use.</li> <li>● RTC Order denying motion for reconsideration: Denied FILSCAP's motion for reconsideration.</li> <li>● Supreme Court: Took up petition for review on certiorari under Rule 45 because the case raised pure questions of law and novel issues of national importance in IP jurisprudence.</li> <li>● Parties submitted memoranda per the Court's resolution.</li> </ul>
Ruling	<p>Petition for Review on Certiorari is DENIED</p> <ul style="list-style-type: none"> <li>● The Court first distinguished "communication to the public" from "public performance": communication to the public involves making works available via wire or wireless means such that members of the public can access them at a place and time individually chosen by them; public performance involves an act perceptible by the public without individualized access. Applying these definitions, <b>the pre-listening function fits communication to the public because users individually select when and where to listen.</b></li> <li>● FILSCAP nonetheless has standing: the deeds of assignment grant FILSCAP authority to enforce such rights, so the organization may sue for infringement of communication to the public rights.</li> <li>● The Court examined whether Wolfpac's memoranda with composers</li> </ul>

	<p>authorized the pre-listening use and found the written agreements limited Wolfpac’s rights to convert works into ringtones and offer/sell them; any other uses required separate licenses. Thus, the agreements did not expressly authorize the pre-listening feature.</p> <ul style="list-style-type: none"> <li>● On infringement elements, although the communication to the public right was implicated, not all elements of actionable infringement were met because fair use must be assessed. The Court applied the four-factor fair use test under the IP Code and related jurisprudence: (1) purpose and character of the use, (2) nature of the copyrighted work, (3) amount and substantiality used, and (4) effect on the potential market.</li> <li>● For the first factor, the Court found the pre-listening was transformative: it served to inform consumers and allow them to identify/confirm the work before purchasing a ringback tone, thereby promoting consumer protection and being not purely commercial. This leaned in favor of fair use.</li> <li>● On the second factor, the musical works are creative and thus weigh against fair use, but this was not dispositive.</li> <li>● For the third factor, using 20-second excerpts was insubstantial relative to full works and favored fair use.</li> <li>● For the fourth factor, the Court analyzed market effect and found the pre-listening could both encourage and discourage downloads; it did not necessarily substitute for or usurp the market for the copyrighted works or ringback tones, and no concrete showing of market harm was established.</li> </ul> <p>Considering all factors together and recognizing that fair use may override reservations of rights in certain contexts, the Court concluded Wolfpac’s specific use fell within fair use and did not amount to actionable infringement. The Court emphasized that fair use must be weighed carefully to balance creators’ rights and the public interest in dissemination and information.</p>
Ratio Decidendi	<ul style="list-style-type: none"> <li>● The critical legal determinations were: (1) online pre-listening functions constitute "communication to the public" under Section 171 of the IP Code because they make works available for access at the user’s chosen time and place; (2) such communications are distinct from "public performance" and therefore must be analyzed under the proper statutory rubric; and (3) even when communication to the public occurs without express authorization, the four-factor fair use test can justify limited, transformative uses — here, 20-second promotional samples used to inform consumers — so that no infringement liability arises absent a showing that the use supplanted the market or caused significant harm to the copyright owner.</li> <li>● The Court further held that deeds of assignment limiting rights do not automatically preclude a fair use defense; fair use may supersede contractual reservation of rights in narrowly defined circumstances that serve the public interest in access and information.</li> <li>● The Supreme Court affirmed the RTC decision: Wolfpac’s pre-listening function is a communication to the public rather than a public performance, and Wolfpac’s use of 20-second samples qualified as fair use under the IP Code, thus Wolfpac cannot be held liable for copyright infringement on the facts presented. The petition for review is partly meritorious only to the extent of clarifying the legal characterization, but FILSCAP’s complaint was dismissed in substance; the RTC Judgment and the denial of reconsideration are AFFIRMED.</li> </ul>

Title	<b>PHILLIPS SEAFOOD PHILIPPINES CORPORATION, PETITIONER, VS. TUNA PROCESSORS, INC., RESPONDENT.</b>
Citation	G.R. No. 214148, February 06, 2023
Topic	Intellectual Property Law - Patent infringement (process patent), claim construction, and application of the doctrine of equivalents.
Parties Involved	<b>Petitioner: PHILLIPS SEAFOOD PHILIPPINES CORPORATION Respondent: TUNA PROCESSORS, INC.</b>
Issue/s	<b>Whether Phillips' smoking/curing process for tuna infringes Philippine Patent No. I-31138 either literally or under the doctrine of equivalents.</b>
Doctrine	The extent of patent protection is defined by the patent claims interpreted in light of the description and drawings; infringement requires that the accused process contain all essential elements of an asserted claim either literally or through equivalents, and the doctrine of equivalents is limited by the function-means-result (triple-identity) test — the patentee bears the burden to prove substantial sameness in function, means, and result. Based on internal knowledge of Philippine law and applied jurisprudence, patent scope cannot be extended beyond claimed elements.
Summary	Phillips operates a tuna-curing process that burns and filters smoke and applies filtered smoke to tuna; TPI (successor-in-interest to the patentee Yamaoka) alleges infringement of a patent claiming a process that includes filtering smoke and cooling the filtered smoke in a cooling unit to 0–5°C before exposing tuna to that cooled smoke. Administrative proceedings (BLA, ODG) and the IPO examined literal infringement and the doctrine of equivalents; the IPO-BLA initially issued injunctive relief but later dismissed the infringement complaint; the ODG affirmed dismissal. The Court of Appeals reversed and found infringement under the doctrine of equivalents; this Court reviewed the CA decision and held there was no literal infringement and that the evidence was insufficient to meet the function-means-result test for equivalence, thus no infringement.
Facts	<p>Phillips is a domestic corporation engaged in processing fresh tuna and other seafood products. Yamaoka (later substituted by Tuna Processors, Inc. or TPI) owned Philippine Patent No. I-31138, titled “Method for Curing Fish and Meat by Extra Low Temperature Smoking,” whose Claim 1 recited (a) burning smoking material at 250°–400°C, (b) passing produced smoke through a filter to remove mainly tar, (c) cooling the filtered smoke in a cooling unit to between 0° and 5°C while retaining highly preservative/sterilizing ingredients, and (d) smoking the tuna meat by exposing it to the filtered smoke cooled to 0°–5°C. Yamaoka and successors had used the patented process in General Santos City and licensed its use and enforcement rights to TPI.</p> <p>In 2003, an administrative complaint for patent infringement was filed before the IPO-BLA against Phillips alleging that Phillips used machines and processes derived from pescarich/ync know-how, including a pre-cooling unit that cooled filtered smoke to 0°–5°C prior to application to tuna. During preliminary proceedings the BLA gave weight to testimony asserting the existence of a pre-cooling unit and issued a TRO and later a writ of preliminary injunction directing Phillips to cease use of the process pending resolution.</p> <p>Phillips denied literal infringement, asserting its process did not include a cooling unit and that filtered smoke in its method was at ambient temperature when applied and that subsequent simultaneous cooling of smoke and meat after injection differed</p>

	<p>materially from the patented steps; it also challenged patent validity and raised prior art. The BLA initially found equivalence at the TRO stage but, after presentation of evidence, dismissed the infringement complaint in an October 30, 2006 Decision, concluding there was no literal infringement and the doctrine of equivalents was not satisfied. TPI appealed to the ODG which affirmed dismissal, highlighting differences in the processes; the CA reversed the ODG and found infringement under the doctrine of equivalents, issuing injunctive relief. Phillips then elevated the matter to the Supreme Court.</p> <p>The record showed conflicting evidence about temperatures and steps: Phillips sometimes admitted cooling to 4–5°C before ocular inspection but at ocular inspection smoke was ambient and stored in plastic bladders, with injection into frozen tuna followed by refrigeration at varying temperatures (including –3°C). TPI relied on witness Lacap’s testimony to prove a pre-cooling unit once existed in Phillips’ plant and on other testimonial evidence to claim the patented cooling element had been appropriated.</p>
Argument of the Petitioner/s	<ul style="list-style-type: none"> <li>• Phillips contended there was no literal infringement because its process lacks the patent’s essential element of cooling filtered smoke in a cooling unit to between 0° and 5°C before exposure to tuna.</li> <li>• Phillips argued the doctrine of equivalents cannot be applied because TPI failed to prove the function-means-result test; Phillips’ process operates differently (e.g., smoke storage in bladders and injection into frozen tuna) and produces distinct end products.</li> <li>• Phillips also raised invalidity and prior-art defenses, asserting the patent lacked inventive step over prior methods.</li> </ul>
Argument of the Respondent/s	<ul style="list-style-type: none"> <li>• TPI argued Phillips’ process performed the same function and achieved the same result as the patented claim because the filtered smoke as ultimately applied to tuna reached 0°–5°C conditions and thus was equivalent to cooling the smoke in a cooling unit.</li> <li>• TPI relied heavily on testimonial evidence (including Lacap’s detailed narration) and early findings at the TRO/WPI stage to show a pre-cooling unit had been used and that equivalence existed despite differences in apparatus or steps.</li> <li>• TPI maintained that minor modifications do not defeat infringement when the innovative concept is appropriated and the process performs substantially the same function in substantially the same way to achieve substantially the same result.</li> </ul>
Case Trial	<ul style="list-style-type: none"> <li>• IPO-BLA (initial hearings): Issued TRO (24 Nov 2003) and later preliminary injunction; early factual findings favored patentee at the preliminary stage.</li> <li>• IPO-BLA (after evidence): Dismissed the infringement complaint (30 Oct 2006), finding no literal infringement and no equivalence.</li> <li>• Office of the Director General (ODG): Affirmed the BLA dismissal (15 Apr 2009 and 12 Sep 2011), upholding that differences in steps and means defeated the infringement claim.</li> <li>• Court of Appeals: Reversed the ODG/IPO, finding infringement under the doctrine of equivalents and granted injunctive relief (25 Jun 2013), later denying motion for reconsideration (Resolution, Aug 29, 2014).</li> </ul>

<p>Ruling</p>	<p>Petition for Review on Certiorari is GRANTED</p> <ul style="list-style-type: none"> <li>The Court applied the doctrine cautiously, reiterating that the patentee must prove all three prongs of the function-means-result (triple-identity) test and that the doctrine cannot be employed to obliterate claim limitations. The evidence adduced by TPI (testimony of Lacap and others) was insufficiently cogent to prove that Phillips’ process performs substantially the same function in substantially the same way to achieve substantially the same result as the claimed process. Conflicting testimony and lack of corroboration as to the existence and operation of a cooling unit, and absence of proof that ambient-temperature filtered smoke retained the same preservative/sterilizing ingredients and cured tuna by the same means, undermined the equivalence claim.</li> </ul> <p>Additional points supporting the ruling:</p> <ul style="list-style-type: none"> <li>Claim interpretation governs the scope of protection; claims must be read in light of the description and drawings, and “mainly” in “remove mainly tar therefrom” was construed to indicate primary purpose but not to exclude filtration of other particles.</li> <li>The Court emphasized limitations of ocular inspection and the need for substantial evidence when ocular inspection is inconclusive or the accused apparatus may be altered before inspection; nevertheless, the patentee’s evidence must be sufficiently persuasive.</li> <li>The all-elements test was applied: not all claim elements (or their equivalents) were present in Phillips’ process; significant differences in means (e.g., storage in plastic bladders, injection into frozen tuna, refrigeration after injection) and uncertain retention of claimed preservative/sterilizing ingredients defeated equivalence.</li> </ul>
<p>Ratio Decidendi</p>	<ul style="list-style-type: none"> <li>Patent scope is defined by the claims; infringement analysis requires (1) claim construction and (2) comparison of the accused process to the properly interpreted claims. Literal infringement requires every claim element to be present; the <b><u>doctrine of equivalents requires proof that the accused process performs substantially the same function, in substantially the same way, to achieve substantially the same result</u></b> — the patentee bears the burden to satisfy the triple-identity test. Where evidence is contradictory or insufficient to establish that the allegedly equivalent element (here, pre-cooling the filtered smoke to 0°–5°C and retaining active preservative ingredients) is present or operates in the same way, the doctrine of equivalents cannot be invoked to expand claim scope. The doctrine must not be applied so broadly as to vitiate claim limitations or convert prior art or non-claimed practices into infringement.</li> <li>The petition is GRANTED. The Court reversed the Court of Appeals’ decision that found infringement; it affirmed the IPO/ODG and BLA conclusions that Phillips’ process does not literally infringe Patent I-31138 and that TPI failed to prove infringement under the doctrine of equivalents. No injunctive relief should have been sustained against Phillips based on the record.</li> </ul>