

Title: *Aguas v. De Leon* (197 Phil. 225)

Facts: Conrado G. de Leon, the plaintiff-appellee, developed new and useful improvements in the process of making mosaic pre-cast tiles and was granted Philippine Patent No. 658. Domiciano A. Aguas, the defendant-petitioner, later infringed upon this patent by making, using, and selling tiles containing the patented invention without authorization. The defendant F.H. Aquino & Sons also engaged in the infringement by producing the engravings and devices used in Aguas's process. De Leon filed a complaint for infringement and sought a Writ of Preliminary Injunction, which was granted. Aguas denied de Leon's claims, arguing that the process was neither new nor innovative and thus not patentable. Aguas also referenced his own patents (Nos. 108, 109, 110) to underscore his point that he was not guilty of infringement. The Court of First Instance ruled in favor of de Leon, declaring the patent valid and infringed, and awarded damages and a perpetual injunction against Aguas.

Issues: The main legal issues revolved around the validity of de Leon's patent and whether Aguas infringed upon the patent. Specifically, whether the improvements in the process of making mosaic pre-cast tiles represented by de Leon's Patent No. 658 were indeed new, useful, and inventive, and if so, whether Aguas's activities constituted an infringement of that patent.

Court's Decision: The Supreme Court affirmed the decision of the Court of Appeals, which had in turn affirmed the trial court's decision, albeit with a reduction in moral damages awarded to de Leon. The decision hinges on the recognition of de Leon's process as a substantial improvement over existing processes, combining critical depth, lip width, easement, and the composition of materials to create a novel and useful tile suitable for construction and ornamentation. Aguas's contention that the improvement was neither new nor inventive was rejected by the Court, citing the commercial success of de Leon's tiles as evidence of patentability. The Court also found sufficient evidence of Aguas's willful infringement of de Leon's patent.

Doctrine: The case establishes the doctrine that improvements to existing processes that result in new, useful, and non-obvious products meet the criteria for patentability under Philippine law. The case also reiterates that willful infringement of such patents can lead to the award of actual as well as moral and exemplary damages to the patent holder.

Historical Background: The case reflects the Philippines' commitment to intellectual

property rights during a time when such rights were still developing globally. The Philippine Patent Law, Republic Act No. 165, recognized the importance of providing incentives and protections for inventors, indicative of the country's growing recognition of the innovation economy's role. *Aguas v. De Leon* exhibits crucial elements in the judicial process of upholding intellectual property rights and the mechanisms for addressing infringement within the legal framework of the Philippines at the time.