

Title: E.I. Dupont De Nemours and Co. v. Director Emma C. Francisco, Director Epifanio M. Evaco, and Therapharma, Inc.

Facts:

E.I. Dupont De Nemours (E.I. Dupont), an American corporation, is the assignee of inventors who filed a Philippine Patent Application No. 35526 for Angiotensin II Receptor Blocking Imidazole (losartan), a medication for hypertension and heart failure, marketed by Merck under Cozaar and Hyzaar. The application was handled by local agent Atty. Mapili until his death in 1996. Unaware of the application's abandonment in 1988 due to the agent's failure to respond, E.I. Dupont only discovered the abandonment in 2002 when it sought to revive the application, claiming they weren't informed of Atty. Mapili's demise. The Intellectual Property Office denied revival as it was filed out of time. E.I. Dupont appealed to the Court of Appeals (CA), which initially granted the revival but reversed itself on reconsideration, partly due to Therapharma's intervention citing vested rights in a competing product. E.I. Dupont then appealed to the Supreme Court (SC).

Issues:

1. Did E.I. Dupont comply with Rule 45 by not attaching certain documents with the petition?
2. Was a petition under Rule 65 more appropriate for raising issues of discretion?
3. Does the petition involve questions of law?
4. Did the CA err in allowing Therapharma's intervention in the appeal?
5. Did the CA err in its grounds for denying E.I. Dupont's appeal for the revival of its patent application?
6. Is Schuartz applicable, hence binding the client to the lawyer's negligence?
7. Has the invention become part of the public domain?

Court's Decision:

1. Although Rule 45 requires relevant documents to support the petition, E.I. Dupont provided sufficient evidence by including judgments and resolutions from the CA, and later complied by submitting additional pertinent documents, thus fulfilling procedural requirements.
2. The petition under Rule 45 was the correct remedy as the CA had resolved both the intervention issue and the case's merits.
3. The SC resolved that E.I. Dupont's petition raised issues of law, not facts, rendering Rule 45 appropriate.
4. The CA did not err by allowing Therapharma's intervention because it had a vested

interest due to its own competing product.

5. The CA correctly denied revival on the basis of inexcusable negligence by E.I. Dupont and third-party public interest being jeopardized due to the lack of competition.

6. The Schuartz ruling applies; the negligence by E.I. Dupont's previous counsel is binding, leading to its patent application's rightful abandonment.

7. E.I. Dupont's argument of priority is irrelevant to the revival issue; the application is forfeited and considered part of the public domain.

Doctrine:

An abandoned patent application may only be revived within a strict four-month period after abandonment, and the failure to act within this period results in forfeiture. Inexcusable negligence by counsel can bind the client.

Class Notes:

- When a patent applicant fails to prosecute the application within the prescribed time frame, it results in abandonment (1962 Revised Rules of Practice in Patent Cases, sec. 111).
- An application abandoned may be revived, provided the petitioner shows that the delay was unavoidable, it is filed within four months of abandonment, and the required fee is paid (sec. 113).
- Schuartz v. Court of Appeals ruled that inexcusable negligence of counsel binds the client.
- With the Intellectual Property Code provisions, public interest and access to medicine, particularly for dealing with prevalent health issues like hypertension, can justify denying a petition for revival when there is undue delay and negligence, and where competition has beneficial effects on affordability and availability.

Historical Background:

The case reflects the balance between intellectual property rights and public interest. In the Philippines, there was a shift toward greater transparency and access to patented information with the enactment of the Intellectual Property Code (1997), influenced by international agreements like the TRIPS Agreement. The case also demonstrates the evolving landscape of pharmaceutical patents, highlighting the tension between patent protection and public access to essential medicines. The CA and the SC recognized the importance of balancing these interests, especially for critical medications for widespread health conditions in the face of a rapidly changing global and local legal environment.