

Title:

Smith Kline Beckman Corporation vs. The Honorable Court of Appeals and Tryco Pharma Corporation

Facts:

- **Initial Patent Application and Issuance:** Smith Kline Beckman Corporation (petitioner) filed a patent application (Serial No. 18989) on October 8, 1976, with the Philippine Patent Office. The application was for a patent over an invention titled "Methods and Compositions for Producing Biphasic Parasiticide Activity Using Methyl 5 Propylthio-2-Benzimidazole Carbamate." This application was approved, and Letters Patent No. 14561 was issued on September 24, 1981.

- **Infringement and Unfair Competition Allegations:** The petitioner sued Tryco Pharma Corporation (private respondent) for infringement of patent and unfair competition before the Regional Trial Court (RTC) in Caloocan City, claiming that the respondent's drug, Impregon, contained Albendazole, which infringed upon their patent.

- **RTC and Court of Appeals Decisions:** The RTC ruled against the petitioner, finding that Letters Patent No. 14561 was null and void due to violations of the Patents Law. Upon appeal, the Court of Appeals affirmed the RTC's decision, concluding that Albendazole was not equivalent to the compound covered by petitioner's patent but modified the decision by upholding the validity of Letters Patent No. 14561.

- **Supreme Court Appeal:** The petitioner brought the case to the Supreme Court, challenging the findings of lower courts regarding patent infringement and the awards for damages and attorney's fees to the respondent.

Issues:

1. **Patent Infringement:** Whether Albendazole, the active ingredient in Tryco's Impregon, is covered by petitioner's Letters Patent No. 14561, thereby constituting patent infringement.
2. **Doctrine of Equivalents Application:** Whether the doctrine of equivalents applies in determining the patent infringement.
3. **Awards for Damages and Attorney's Fees:** Whether the awards for actual damages and attorney's fees to Tryco Pharma Corporation were appropriate.

Court's Decision:

- **On Patent Infringement and Doctrine of Equivalents:** The Supreme Court affirmed the

appellate court's conclusion that there was no patent infringement, sustaining that Albendazole is not equivalent to the patented compound under the doctrine of equivalents. While both compounds have anthelmintic effects, there was insufficient evidence proving that they operate in substantially the same manner to achieve the same result.

- **On Awards for Damages and Attorney's Fees:** The Court found the granting of actual damages and attorney's fees to Tryco Pharma Corporation untenable due to the lack of sufficient proof of actual losses and bad faith on the part of the petitioner. However, the Court awarded Tryco temperate damages of P20,000.00 considering the pecuniary loss suffered.

Doctrine:

- **Doctrine of Equivalents in Patent Law:** A patent infringement occurs under this doctrine if the alleged infringing product performs the same function in substantially the same way to achieve substantially the same result as the patented product, fulfilling the function-means-and-result test.

Class Notes:

- **Essential Elements of Patent Infringement:** The plaintiff must establish that the alleged infringing product (1) performs the same function, (2) in substantially the same way, and (3) to achieve substantially the same result as the patented product (function-means-and-result test).

- **Divisional Applications:** Occurs when multiple inventions claimed in a single application require separate applications due to their distinct nature.

- **Temperate Damages (Article 2224, Civil Code):** These can be awarded when the court finds that some pecuniary loss has been suffered but its amount can't be proved with certainty.

Historical Background:

This case exemplifies the complexities involved in determining patent infringement within pharmaceutical inventions, especially when considering the doctrine of equivalents. It underscores the legal challenges in distinguishing between molecular compounds and their functional equivalents, reflecting on the stringent requirements for proving infringement within the intellectual property law domain in the Philippines.