

Title:

Phil Pharmawealth, Inc. vs. Pfizer, Inc. and Pfizer (Phil.), Inc.: A Case on Patent Infringement and Forum Shopping

Facts:

This case revolves around a complaint for patent infringement filed by Pfizer, Inc., and Pfizer (Phil.), Inc. (respondents) against Phil Pharmawealth, Inc. (petitioner) with the Bureau of Legal Affairs of the Intellectual Property Office (BLA-IPO). Pfizer claims to hold the Philippine Letters Patent No. 21116, covering a method related to Sulbactam Ampicillin, a combination of antibiotics. Pfizer, marketing Sulbactam Ampicillin under the brand "Unasyn," learned that Phil Pharmawealth was submitting bids to supply Sulbactam Ampicillin to various hospitals without their consent, infringing their patent rights.

Pfizer secured a preliminary injunction from BLA-IPO against Phil Pharmawealth, which was effective for 90 days. Upon its expiration, a motion for extension was denied by BLA-IPO. Pfizer's motion for reconsideration was also denied, prompting them to file a special civil action for certiorari with the CA, seeking an injunction's reinstatement and extension. Concurrently, Pfizer filed a complaint for infringement and unfair competition with damages against Phil Pharmawealth in the RTC of Makati City, seeking similar injunctions.

Phil Pharmawealth contended that Pfizer's patent had lapsed and alleged Pfizer of forum shopping for filing similar actions in different forums. The CA denied Phil Pharmawealth's motions to dismiss, maintaining the temporary restraining order and injunction against them.

Issues:

1. Can an injunction be issued based on a patent infringement action when the patent has already expired?
2. Which tribunal has jurisdiction to review decisions of the BLA-IPO's Director of Legal Affairs?
3. Is there forum shopping when a party files two actions with different causes of action yet seeks the same relief?

Court's Decision:

1. ****Patent Expiry:**** The Court agreed with Phil Pharmawealth that the exclusive right to a patent lasts only during the patent term. Since Pfizer's patent expired on July 16, 2004, Pfizer no longer had exclusive rights that needed protection by injunction.

2. **Jurisdiction Over BLA-IPO Decisions:** The Court clarified that the CA, not the IPO Director General, has jurisdiction to review interlocutory orders of the BLA-IPO. The CA is authorized to resolve if there's been grave abuse of discretion in BLA-IPO's decisions.

3. **Forum Shopping:** The Court found Pfizer guilty of forum shopping by filing two different complaints (in the IPO and the RTC) based on similar facts and seeking similar relief, potentially causing vexation to the court system and raising the risk of conflicting decisions.

Doctrine:

- The exclusive right of a patentee only exists during the term of the patent. Upon expiration, no injunction for infringement can be sustained.
- In the absence of a specific remedy within an administrative framework, the Rules of Court apply suppletorily.
- Forum shopping occurs when similar complaints are filed in different forums, seeking similar reliefs based on identical grounds, which is prohibited.

Class Notes:

- **Patent Term:** Under RA No. 165, a patent's exclusive rights are protected for 17 years from the date of issuance. Post-expiration, these rights cease to exist.
- **Jurisdiction and Administrative Orders:** The Court of Appeals holds jurisdiction to review interlocutory orders by administrative agencies like the BLA-IPO when there's no specific administrative remedy.
- **Forum Shopping:** Defined by filing multiple cases based on the same cause with the hope of receiving a favorable decision, potentially leading to administrative sanctions or case dismissal.

Historical Background:

This case reflects essential principles in intellectual property law and judicial procedure, emphasizing the importance of respecting patent terms and the prohibition against forum shopping. It highlights the courts' handling of cases where legal rights intersect with administrative procedures, underlining the judiciary's role in interpreting complex issues of law and ensuring fair adjudication.