

Title:

Sison Olaño, et al. vs. Lim Eng Co: A Case of Alleged Copyright Infringement in Architectural Designs

Facts:

The petitioners, officers and/or directors of Metrotech Steel Industries, Inc. (Metrotech), were subjected to a series of legal challenges instigated by the respondent, Lim Eng Co, the Chairman of LEC Steel Manufacturing Corporation (LEC), which specializes in architectural metal manufacturing. The dispute stemmed from LEC's involvement in the Manansala Project, a high-end residential building in Rockwell Center, Makati City, where LEC was invited to submit designs for hatch doors and eventually subcontracted for their manufacture and installation for certain floors. Subsequently, Metrotech was reportedly subcontracted to install similar hatch doors for other floors of the project, leading LEC to accuse Metrotech of copyright infringement. Despite LEC's repeated demands and legal actions, including the lodgment of a complaint-affidavit for copyright infringement with the Department of Justice (DOJ) and acquisition of search warrants leading to raids on Metrotech's premises, the evolving stance of the DOJ through multiple resolutions initially failing to find probable cause for infringement but later reversing this decision on appeal, before ultimately reversing again to find no probable cause, marked the legal battle's complexity.

As the matter progressed through the Philippine legal system, it culminated in a petition for review on certiorari under Rule 45 of the Rules of Court being filed by the petitioners against a Court of Appeals (CA) decision which had annulled the DOJ's resolutions that found no probable cause for copyright infringement against them.

Issues:

1. Whether the DOJ committed grave abuse of discretion in its findings of probable cause for copyright infringement against the petitioners.
2. Whether the CA erred in its decision to annul the DOJ's resolutions based on the same set of evidence and arguments provided.

Court's Decision:

The Supreme Court in its decision emphasized the policy against overturning findings of the Secretary of Justice regarding probable cause for copyright infringement during preliminary investigations, except in cases of grave abuse of discretion. The Court found that the seemingly inconsistent findings by the DOJ, based on the same factual evidence, did not by

themselves indicate grave abuse of discretion. Moreover, the Court noted that the issue rested heavily on the copyrightability of the hatch doors' design, concluding that the copyright registrations held by LEC did not cover the hatch doors themselves but only their sketches or drawings. The Court established that for copyright infringement to occur, the usurped work must have been copied directly, which did not happen in this case. Therefore, the Supreme Court reversed the CA's decision, reinstating the DOJ's resolutions that found no probable cause for copyright infringement.

Doctrine:

This case reiterated the doctrine that copyright protection extends only to the expression of an idea and not to the idea itself, emphasizing the distinction between copyrightable artistic expressions and functional or utilitarian objects.

Class Notes:

- Copyright infringement requires the unauthorized use of a copyrighted work in a manner that violates the owner's rights.
- Probable cause for copyright infringement necessitates proof of ownership of a validly copyrighted material and evidence of unauthorized use by the respondent.
- Design elements of a useful article are eligible for copyright protection only if they are physically or conceptually separable from the article's utilitarian aspects.
- The Judiciary's review of the DOJ's determination of probable cause is limited, focusing only on the presence of grave abuse of discretion.

Historical Background:

In the Philippines, cases of copyright infringement involving architectural designs or industrial models often highlight the tension between copyright laws protecting intellectual creations and the commercial realities of manufacturing and construction industries. This case exemplifies the complexity of copyright issues in the context of contemporary architectural projects, underscoring the intricate balance between artistic authorship and functional utility within the Intellectual Property Code of the Philippines (R.A. No. 8293).