

Title:

****Columbia Pictures, Inc. et al. vs. Court of Appeals, Sunshine Home Video, Inc. and Danilo A. Pelindario: A Landmark Case on the Retroactive Application and the Necessity of Master Tapes in Copyright Infringement Cases Involving Videograms in the Philippines****

Facts:

The petitioners, comprised of various well-known motion picture companies such as Columbia Pictures, Inc., Orion Pictures Corporation, and others, lodged a formal complaint with the National Bureau of Investigation (NBI) alleging copyright infringement against Sunshine Home Video, Inc., owned and operated by Danilo A. Pelindario. After covert surveillance, the NBI applied for a search warrant which the trial court issued. The search warrant led to the seizure of various video tapes and equipment from Sunshine Home Video. However, upon motion for reconsideration filed by Sunshine Home Video, the trial court ordered the quashal of the search warrant because the master tapes were not presented during the proceedings for the issuance of the search warrant—as later appealed by the petitioners to the Court of Appeals which upheld the trial court’s decision.

Issues:

1. Whether foreign corporations not licensed to do business in the Philippines have the legal standing to file a case.
2. Whether the necessity of presenting master tapes in copyright infringement cases involving videograms as required by the later case of 20th Century Fox Film Corporation vs. Court of Appeals applies retroactively to the issuance of a search warrant.

Court’s Decision:

1. ****Legal Standing of Foreign Corporations****: The Supreme Court held that foreign corporations, not engaged in doing business in the Philippines, do not need a license to sue in Philippine courts for the protection of their rights. This is based on the fact that exercising legal rights and the appointment of an attorney-in-fact for legal actions to defend copyright ownership is not tantamount to doing business in the Philippines.
2. ****Retroactive Application of 20th Century Fox Doctrine****: The Court ruled that the doctrine established in the 20th Century Fox case, which demands the presentation of master tapes for the determination of probable cause in copyright infringement cases involving videograms, should not be applied retroactively. The Court emphasized that laws and doctrines have no retroactive effect unless explicitly stated otherwise, ensuring fairness and justice, thereby upholding the validity of the original search warrant issued against

Sunshine Home Video.

Doctrine:

- **Foreign Corporations Suing in Philippine Courts**: Foreign corporations not doing business in the Philippines can maintain an action in Philippine courts without being licensed to do business here, provided the suit is for the protection of their copyright ownership or exclusive distribution rights.
- **Prospective Application of Judicial Decisions**: Judicial decisions interpreting laws are part of the legal system of the Philippines, but they do not have retroactive effect unless there is a clear provision stating otherwise. In copyright infringement cases involving videograms, the necessity of presenting master tapes for establishing probable cause as decided in the 20th Century Fox case should not apply to actions taken before the promulgation of said doctrine.

Class Notes:

- **Legal Standing**: To sue in Philippine courts, foreign corporations need not be licensed to do business in the Philippines if the action is for the enforcement or protection of their rights.
- **Prospectivity of Judicial Decisions**: Judicial doctrines are applied prospectively and are not to be used to impose new requirements on actions that were taken based on the prevailing understanding of the law at the time.

Historical Background:

This case is emblematic of the legal challenges faced in the enforcement of intellectual property rights in the age of videogram technology, highlighting the evolving jurisprudence on copyright infringement amidst advancements in media distribution. It underscores the intersection of copyright law and the judiciary's role in balancing the protection of intellectual property rights with ensuring fairness and adherence to due process.