

Title: COSAC, Inc. vs. Filipino Society of Composers, Authors and Publishers, Inc.

Facts:

The Filipino Society of Composers, Authors and Publishers, Inc. (FILSCAP) is a non-stock, non-profit organization managing copyright-related issues for music compositions. FILSCAP claimed that Off the Grill Bar and Restaurant, operated by COSAC, Inc. (COSAC), infringed on copyrights by playing copyrighted music without a license from FILSCAP. Despite several notices from 2004 to 2005 and a final demand letter in November 2005, COSAC did not secure the necessary licenses. Subsequently, FILSCAP initiated a copyright infringement complaint on February 13, 2006. COSAC contested FILSCAP's standing, arguing FILSCAP did not prove actual assignment rights from copyright owners and contended that songs become public property once performed publicly.

FILSCAP presented deeds of assignment and reciprocal representation agreements with foreign societies to prove its authority to enforce copyrighted works. Additional evidence included certificates of authentication demonstrating FILSCAP's affiliation with international copyright enforcement organizations and a database listing the works under FILSCAP's repertoire. COSAC's defense rested on the argument that music played by live bands or through recordings in their establishment becomes public property.

The Regional Trial Court (RTC) and the Court of Appeals (CA) both ruled in favor of FILSCAP. The CA affirmed the RTC's decision, refuting COSAC's claim on the necessity of publication of the deeds of assignment in the IPO Gazette and held that COSAC committed copyright infringement. However, the CA deleted the award for monitoring expenses.

Issues:

1. Did COSAC commit copyright infringement by playing copyrighted music without obtaining necessary licenses from FILSCAP?
2. Is the publication of deeds of assignment or authority in the IPO Gazette required for FILSCAP to enforce copyright claims?
3. Is FILSCAP entitled to collect damages, including license fees/royalties and attorney's fees?
4. Are COSAC's counterclaims for attorney's fees and litigation expenses justifiable?

Court's Decision:

The Supreme Court denied COSAC's petition, upholding the CA's decision but with modifications regarding the compensation for damages. The Court clarified the issues of

copyright infringement, emphasizing FILSCAP's right to enforce copyright on behalf of the copyright owners based on the deeds of assignment and reciprocal representation agreements. It highlighted that registration or publication in the IPO Gazette of these documents is not obligatory for their validity. Consequently, COSAC's refusal to secure licenses for copyrighted music constituted infringement. The court dismissed COSAC's counterclaims and modified the damages awarded to FILSCAP, focusing on temperate damages due to insufficient evidence to precisely calculate actual damages.

Doctrine:

Copyright infringement occurs when copyrighted material is used without authorization from the copyright owner or their assignee. The assignee of performing rights, such as FILSCAP, can enforce copyright protection and is entitled to compensation for infringement even if the deeds or agreements are not registered or published in the IPO Gazette.

Class Notes:

- Copyright infringement is committed by using copyrighted material without permission from the copyright holder or their legally authorized representative.
- FILSCAP's authority to enforce copyright rights is based on a proper assignment, which does not require registration or publication in the IPO Gazette to be effective.
- Damages awarded for copyright infringement may include temperate damages when actual damages cannot be precisely determined.
- Key provisions such as Section 177 of the IPC provide copyright owners with the exclusive right to authorize or prevent public performances of their works.

Historical Background:

The case illustrates the evolving landscape of copyright enforcement in the Philippines and emphasizes the role of collective management organizations like FILSCAP in protecting copyright holders' interests. It underscores the balance between ensuring copyright owners' rights are respected and the practical challenges of quantifying damages for copyright infringement.