

### **Sony Computer Entertainment, Inc. vs. Bright Future Technologies, Inc.**

**Supreme Court of the Philippines, 544 Phil. 754**

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### **Facts**

- **Initial Complaint and Search Warrant Issuance**: Sony Computer Entertainment, Inc. (SCEI) lodged a complaint with the Philippine National Police (PNP) about possible copyright and trademark infringement by Bright Future Technologies, Inc. (BFTI). On the strength of this complaint, eight search warrants (including Nos. 05-6336 and 05-6337) were issued by the Manila Regional Trial Court (RTC) Executive Judge Antonio M. Eugenio, Jr.
- **Raid and Seizure** (April 1, 2005): A raid conducted on BFTI's premises led to the seizure of several items believed to be involved in copyright and trademark infringement, including DVD replication machines, bonding machines, printing machines, polycarbonate dryers, moulds, chemical supplies, and a significant quantity of blank and counterfeit disks.
- **BFTI's Motion to Quash** (April 5, 2005): BFTI filed an urgent motion with the RTC to quash the search warrants, retrieve the seized items, and exclude them as evidence on the basis of several grounds including the violation of procedural steps and questioning the validity of the search warrants.
- **Opposition and Inhibition**: SCEI opposed this motion. Judge Eugenio voluntarily inhibited himself from the case following a motion from SCEI and it was re-raffled to Judge Amor Reyes of Branch 21.
- **RTC Denial** (April 18, 2005): Judge Reyes denied BFTI's motion to quash, asserting the warrants were issued and implemented properly.
- **Further Proceedings and Re-Raffle**: BFTI filed a motion for reconsideration, and subsequent related motions including requesting inhibition of Judge Reyes. The case was re-raffled to Branch 8, presided by Judge Felixberto T. Olalia, Jr.
- **RTC Reversal** (August 8, 2005 & August 10, 2005): Judge Olalia granted BFTI's motion for reconsideration, recognizing procedural violations during the search and ordered the return of seized items upon posting a bond by BFTI.
- **Petition for Review**: SCEI sought Supreme Court review, disputing BFTI's procedural claims and the bond condition attached to the return of items.

### **Issues**

1. **SCEI's Right to Participate** - Whether SCEI, as a private complainant, had a right to appear, participate, and oppose motions in the search warrant proceedings.
2. **Validity of Search Execution** - Whether the search execution violated procedural requirements, particularly concerning:
  - The necessity and justification for using a bolt cutter.
  - Compliance with the two-witness rule under Section 8 of Rule 126.
3. **Release of Seized Items** - Whether the lower court erred in ordering the release of the seized items before the finality of the order quashing the search warrants and the legal standing of requiring a bond for the return of the items.

### **### Court's Decision**

1. **Participation Right**: The Court upheld that a private complainant like SCEI could appear and participate in search warrant proceedings. It cited the precedent set in *United Laboratories, Inc. v. Isip*, affirming private entities' rights to uphold the validity of a search warrant and the admissibility of evidence.
2. **Use of Bolt Cutter**: The Court found the use of a bolt cutter reasonable under the circumstances. The Court highlighted that the officers sought access to the premises after the security guards refused to open the property, which justified the breach based on Section 7 of Rule 126.
3. **Two-witness Rule Violation**: The Court agreed with the RTC's observation that the search violated the two-witness rule outlined in Section 8 of Rule 126. The search was already in progress before the arrival of the barangay officials who were supposed to witness it, leading to the illegality of the search and the inadmissibility of the seized items as evidence.
4. **Release of Seized Items**: The Court affirmed the need to return the seized items due to their inadmissibility as evidence. However, it found the lower court's imposition of a bond requirement for the return of items to be without legal basis and ordered the cancellation of the bond.

### **### Doctrine**

- **Private Complainant's Right**: Private entities have the right to participate in criminal proceedings related to search warrants, maintain their validity, and argue admissibility in collaboration with public enforcement agencies.
- **Two-Witness Rule**: Absolute compliance with the two-witness rule is mandatory for the validity of searches. Failure negates the admissibility of seized evidence.

### **### Class Notes**

- **Search Warrant Execution (Rule 126)**:
- **Sec. 7**: Use of force is justified when entry is refused after identification and purpose are declared.
- **Sec. 8**: Presence of two witnesses is mandatory if the lawful occupant or family members are absent to ensure regularity.
- **Admissibility of Evidence**: Violations of procedural requirements during the search make seized evidence inadmissible.
- **Participation of Private Complainants**: Private complainants can engage in search warrant proceedings to uphold procedural and substantive law, as seen in *United Laboratories, Inc. v. Isip*.

### **Historical Background**

- **Intellectual Property Enforcement**: The case highlights the evolving landscape of intellectual property enforcement in the Philippines, particularly against the backdrop of rampant piracy and counterfeit trade during the early 2000s. The legal framework established by cases like this reinforces the robustness of procedural safeguards in upholding property rights while ensuring law enforcement adheres to due process.