

FIRST DIVISION

[G.R. NO. 165306, September 20, 2005]

**MANLY SPORTWEAR MANUFACTURING, INC., PETITIONER, VS.
DADODETTE ENTERPRISES AND/OR HERMES SPORTS CENTER,
RESPONDENTS.**

D E C I S I O N

YNARES-SANTIAGO, J.:

This petition for review on certiorari^[1] under Rule 45 of the Revised Rules of Civil Procedure assails the July 13, 2004 decision^[2] of the Court of Appeals^[3] in CA-G.R. SP No. 79887 and its September 15, 2004 resolution^[4] denying reconsideration thereof.

The facts are as follows:

On March 14, 2003, Special Investigator Eliezer P. Salcedo of the National Bureau of Investigation (NBI) applied for a search warrant before the Regional Trial Court (RTC) of Quezon City, based on the information that Dadodette Enterprises and/or Hermes Sports Center were in possession of goods, the copyright of which belonged to Manly Sportswear Mfg., Inc. (MANLY).^[5]

After finding reasonable grounds that a violation of Sections 172 and 217 of Republic Act (RA) No. 8293^[6] has been committed, Judge Estrella T. Estrada of RTC-Quezon City, Branch 83, issued on March 17, 2003 Search Warrant No. 4044(03).^[7]

Respondents thereafter moved to quash and annul the search warrant contending that the same is invalid since the requisites for its issuance have not been complied with. They insisted that the sporting goods manufactured by and/or registered in the name of MANLY are ordinary and common hence, not among the classes of work protected under Section 172 of RA 8293.

On June 10, 2003, the trial court granted the motion to quash and declared Search Warrant No. 4044(03) null and void based on its finding that the copyrighted products of MANLY do not appear to be original creations and were being manufactured and distributed by different companies locally and abroad under various brands, and therefore unqualified for protection under Section 172 of RA 8293. Moreover, MANLY's certificates of registrations were issued only in 2002, whereas there were certificates of registrations for the same sports articles which were issued earlier than MANLY's, thus further negating the claim that its copyrighted products were original creations.^[8]

On August 11, 2003, the trial court denied^[9] MANLY's motion for reconsideration. Hence it filed a petition for certiorari^[10] before the Court of Appeals which was

denied for lack of merit. The appellate court found that the trial court correctly granted the motion to quash and that its ruling in the ancillary proceeding did not preempt the findings of the intellectual property court as it did not resolve with finality the status or character of the seized items.

After denial of its motion for reconsideration on September 15, 2004, MANLY filed the instant petition for review on certiorari raising the sole issue of whether or not the Court of Appeals erred in finding that the trial court did not gravely abuse its discretion in declaring in the hearing for the quashal of the search warrant that the copyrighted products of MANLY are not original creations subject to the protection of RA 8293.

We deny the petition.

The power to issue search warrants is exclusively vested with the trial judges in the exercise of their judicial function.^[11] As such, the power to quash the same also rests solely with them. After the judge has issued a warrant, he is not precluded to subsequently quash the same, if he finds upon reevaluation of the evidence that no probable cause exists.

Our ruling in *Solid Triangle Sales Corp. v. Sheriff, RTC, Q.C.*, Br. 93^[12] is instructive, thus:

Inherent in the courts' power to issue search warrants is the power to quash warrants already issued. In this connection, this Court has ruled that the motion to quash should be filed in the court that issued the warrant unless a criminal case has already been instituted in another court, in which case, the motion should be filed with the latter. The ruling has since been incorporated in Rule 126 of the Revised Rules of Criminal Procedure[.]

In the instant case, we find that the trial court did not abuse its discretion when it entertained the motion to quash considering that no criminal action has yet been instituted when it was filed. The trial court also properly quashed the search warrant it earlier issued after finding upon reevaluation of the evidence that no probable cause exists to justify its issuance in the first place. As ruled by the trial court, the copyrighted products do not appear to be original creations of MANLY and are not among the classes of work enumerated under Section 172 of RA 8293. The trial court, thus, may not be faulted for overturning its initial assessment that there was probable cause in view of its inherent power to issue search warrants and to quash the same. No objection may be validly posed to an order quashing a warrant already issued as the court must be provided with the opportunity to correct itself of an error unwittingly committed, or, with like effect, to allow the aggrieved party the chance to convince the court that its ruling is erroneous.

Moreover, the trial court was acting within bounds when it ruled, in an ancillary proceeding, that the copyrighted products of petitioner are not original creations. This is because in the determination of the existence of probable cause for the issuance or quashal of a warrant, it is inevitable that the court may touch on issues properly threshed out in a regular proceeding. In so doing, it does not usurp the power of, much less preclude, the court from making a final judicial determination of the issues in a full-blown trial. Consequently, MANLY's assertion that the trial

court's order quashing the warrant preempted the finding of the intellectual property court has no legal basis.

As pertinently held in *Solid Triangle Sales Corp. v. Sheriff, RTC, Q.C., Br. 93*:^[13]

When the court, in determining probable cause for issuing or quashing a search warrant, finds that no offense has been committed, it does not interfere with or encroach upon the proceedings in the preliminary investigation. The court does not oblige the investigating officer not to file an information for the court's ruling that no crime exists is only for purposes of issuing or quashing the warrant. This does not, as petitioners would like to believe, constitute a usurpation of the executive function. Indeed, to shirk from this duty would amount to an abdication of a constitutional obligation.

...

... The finding by the court that no crime exists does not preclude the authorized officer conducting the preliminary investigation from making his own determination that a crime has been committed and that probable cause exists for purposes of filing the information.

As correctly observed by the Court of Appeals, the trial court's finding that the seized products are not copyrightable was merely preliminary as it did not finally and permanently adjudicate on the status and character of the seized items. MANLY could still file a separate copyright infringement suit against the respondents because the order for the issuance or quashal of a warrant is not *res judicata*.

Thus, in *Vlasons Enterprises Corporation v. Court of Appeals*^[14] we held that:

The proceeding for the seizure of property in virtue of a search warrant does not end with the actual taking of the property by the proper officers and its delivery, usually constructive, to the court. The order for the issuance of the warrant is not a final one and cannot constitute *res judicata*. Such an order does not ascertain and adjudicate the permanent status or character of the seized property. By its very nature, it is provisional, interlocutory. It is merely the first step in the process to determine the character and title of the property. That determination is done in the criminal action involving the crime or crimes in connection with which the search warrant was issued. Hence, such a criminal action should be prosecuted, or commenced if not yet instituted, and prosecuted. The outcome of the criminal action will dictate the disposition of the seized property...

We have also ruled in *Ching v. Salinas, Sr., et al.*^[15] that:

The RTC had jurisdiction to delve into and resolve the issue whether the petitioner's utility models are copyrightable and, if so, whether he is the owner of a copyright over the said models. It bears stressing that upon the filing of the application for search warrant, the RTC was duty-bound to determine whether probable cause existed, in accordance with Section 4, Rule 126 of the Rules of Criminal Procedure[.]