536 Phil. 4753

FIRST DIVISION

[G.R. NO. 159098, October 27, 2006]

SPS. HENRY AND ROSARIO UY, PETITIONERS, VS. HON. JUDGE ARSENIO P. ADRIANO, IN HIS CAPACITY AS PAIRING JUDGE OF RTC, BR. 64, TARLAC CITY, CITY PROSECUTOR ALIPIO C. YUMUL AND PIÑAKAMASARAP CORP., RESPONDENTS.

D E C I S I O N

CALLEJO, SR., J.:

Challenged in this instant Petition for Review on *Certiorari* is the Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 62103 which affirmed the Orders of the Regional Trial Court (RTC) of Tarlac City[2] denying the motion to quash the Information in Criminal Case Nos. 6512-94.

Based on a confidential information that petitioner Henry Uy had been engaged in manufacturing, delivering, and selling "fake" Marca Piña soy sauce,[3] Orlando S. Bundoc, Intelligence Officer II of the Economic Intelligence and Investigation Bureau (EIIB), applied for a search warrant[4] for unfair competition which was granted on February 14, 1994. When the search warrant was implemented on even date, Atty. Francisco R. Estavillo, agent of the National Bureau of Investigation (NBI) in Tarlac, seized fifty-five (55) bottles of label Marca Piña soy sauce.[5]

Consequently, a criminal complaint was filed in the Municipal Trial Court (MTC) of Tarlac City on March 23, 1994, charging petitioner Henry Uy with violation of Article 189 (Unfair Competition) of the Revised Penal Code.[6]

On November 8, 1994, private respondent Piñakamasarap Corporation moved to amend the criminal charge by including Henry's spouse, petitioner Rosario Uy.[7] The court granted the motion in its Order dated November 15, 1994 and admitted the amended criminal complaint which reads:

> The undersigned, LUIS E. GONZALES, Comptroller of PIÑAKAMASARAP CORPORATION of 583 Sta. Veronica St., Novaliches, Quezon City, and by authority of the said corporation, under oath accuses HENRY UY, ROSARIO GUTIERREZ UY and a certain JOHN DOE of Violation of Article 189 of the Revised Penal Code, committed as follows:
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> That on or about February 14, 1994, and for sometimes (*sic*) prior thereto, in Municipality of Tarlac, Tarlac, Philippines, the said Rosario G. Uy accused, being then the owner of a business establishment with principal address at Phase I, Northern Hills Subdivision, San Vicente, Tarlac, Tarlac, and her co-accused, husband, HENRY UY, and a certain John Doe, did then and there, willfully, unlawfully and feloniously

conspire and confederate together and help one another engaged in unfair competition with the intention of deceiving and defrauding the public in general and the consuming public in general and PIÑAKAMASARAP Corporation, the manufacturer and bottler of soy sauce under the name "MARCA PIÑA," a [trademark] duly registered with the Philippine Patent Office and sell or offer for sale soy sauce manufactured by them with the brand name "Marca Piña" which is a bastard version of the trademark, and using the bottles of Piñakamasarap Corporation and substituted the contents thereof with those manufactured by the accused and passing to the public that said products to be the products of Piñakamasarap Corporation which is not true, thereby inducing the public to believe that the above-mentioned soy sauce sold or offered for sale by said accused are genuine "MARCA PIÑA" soy sauce manufactured by PIÑAKAMASARAP CORPORATION, and of inferior quality to the damage and prejudice of the Piñakamasarap Corporation.

Contrary to law.

Tarlac, Tarlac, November 8, 1994.[8]

After preliminary examination of the prosecution witnesses, the court found probable cause to indict petitioners.[9] On January 30, 1995, the court issued a warrant of arrest against petitioners.[10] They were released after posting a cash bond on February 1, 1995.[11] On July 10, 1995, petitioners were arraigned, assisted by counsel, and pleaded not guilty to the charge.[12] Petitioners, through counsel, waived the pre-trial conference on October 25, 1995. The initial trial was set on November 27, 1995.[13]

However, it was only on February 26, 1996 that the first witness of the prosecution, Atty. Estavillo of the NBI, testified. In the meantime, in October 1996, this Court issued Administrative Order (A.O.) No. 104-96 providing, *inter alia*, that the RTC shall have exclusive jurisdiction over violations of Articles 188 and 189 of the Revised Penal Code and Republic Act (R.A.) No. 166, as amended, thus:

VIOLATIONS OF INTELLECTUAL PROPERTY RIGHTS SUCH AS, BUT NOT LIMITED TO, VIOLATIONS OF ART. 188 OF THE REVISED PENAL CODE (SUBSTITUTING AND ALTERING TRADEMARKS, TRADE NAMES, OR SERVICE MARKS), ART. 189 OF THE REVISED PENAL CODE (UNFAIR COMPETITION, FRAUDULENT REGISTRATION OF TRADEMARKS, TRADE NAMES, OR SERVICE MARKS, FRAUDULENT DESIGNATION OF ORIGIN, AND FALSE DESCRIPTION), P.D. NO. 49 (PROTECTION OF INTELLECTUAL PROPERTY RIGHTS), P.D. NO. 87 (AN ACT CREATING THE VIDEOGRAM REGULATORY BOARD), R.A. NO. 165, AS AMENDED (THE PATENT LAW), AND R.A. NO. 166, AS AMENDED (THE TRADEMARK LAW) SHALL BE TRIED EXCLUSIVELY BY THE REGIONAL TRIAL COURTS IN ACCORDANCE WITH THE ESTABLISHED RAFFLE SCHEME EXCEPT THOSE COVERED BY ADMINISTRATIVE ORDER NO. 113-95 DATED 2 OCTOBER 1995, IN WHICH CASE, THE DESIGNATED REGIONAL TRIAL COURTS SHALL CONTINUE TO OBSERVE THE PROVISIONS THEREIN.

CONSIDERING THAT JURISDICTION FOR VIOLATIONS OF INTELLECTUAL

PROPERTY RIGHTS HEREINBEFORE MENTIONED IS NOW CONFINED EXCLUSIVELY TO THE REGIONAL TRIAL COURTS, THE DESIGNATION OF METROPOLITAN TRIAL COURTS AND MUNICIPAL TRIAL COURTS IN CITIES UNDER ADMINISTRATIVE ORDER NO. 113-95 IS DELETED AND WITHDRAWN.

Despite the administrative order of the Court, the MTC continued with the trial. Gloria P. Tomboc, Analyst of the Bureau of Food and Drugs Administration (BFAD), testified on August 25, 1997. In the meantime, Articles 188 and 189 of the Revised Penal Code were amended by R.A. No. 8293, otherwise known as the Intellectual Property Code. Two years thereafter, Alfredo Lomboy, supervisor of Piñakamasarap Corporation, testified on August 30, 1999.

On December 12, 1999, the prosecution filed its formal offer of evidence.[14] In the meantime, on October 22, 1999, Atty. Joselito L. Lim had moved to withdraw his appearance as counsel for petitioners;[15] the court had granted the motion on October 25, 1999;[16] and the new counsel of petitioners, Balbastro and Associates, had entered its appearance on November 24, 1999.[17]

On February 15, 2000, the court resolved to admit the documentary evidence of the prosecution except Exhibit "E" which was rejected by the court, and Exhibits "I" and "J" which were withdrawn.[18] The prosecution rested its case.

On March 10, 2000, petitioners, through their new counsel, filed a Motion for Leave to File Demurrer to Evidence.[19] The court granted the motion. In their demurrer, [20] petitioners argued that a judgment of acquittal is proper since no sufficient evidence was presented to prove beyond reasonable doubt that they are guilty of the offense charged. The prosecution was not able to establish that they gave their goods the general appearance of another manufacturer or dealer and that they had the intent to defraud the public or Piñakamasarap Corporation. Moreover, under both R.A. No. 166, as amended, and its repealing law, R.A. No. 8293, the RTC had jurisdiction over the crime charged; hence, the amended complaint should be quashed.

The prosecution opposed the demurrer to evidence, contending that it had presented proof beyond reasonable doubt of the guilt of petitioners for the crime charged. The prosecution maintained that, under Batas Pambansa (B.P.) Blg. 129, the MTC had jurisdiction over the crime charged in the light of the imposable penalty for unfair competition under Article 189 of the Revised Penal Code.[21]

In its Resolution dated May 16, 2000,[22] the court held that there was *prima facie* evidence which, if unrebutted or not contradicted, would be sufficient to warrant the conviction of petitioners. However, the court ruled that the RTC was vested by law with the exclusive and original jurisdiction to try and decide charges for violation of R.A. No. 166 as amended by R.A. No. 8293. Accordingly, the court denied the demurrer to evidence and ordered the records of the case forwarded to the Office of the Provincial Prosecutor for appropriate action.

The City Prosecutor forwarded the case records to the Clerk of Court of RTC, Br. 63, Tarlac City.[23] On June 19, 2000, the RTC ordered the City Prosecutor to conduct

the requisite preliminary investigation and to file the necessary Information if he found probable cause against petitioners.

The City Prosecutor found probable cause based on the findings of the MTC in its May 16, 2000 Resolution that there was a *prima facie* case against petitioners.[24] He filed an Information in the RTC on July 18, 2000 for violation of Article 189 of the Revised Penal Code.[25] The Information reads:

> That on or about February 14, 1994 and sometime prior thereto, at Tarlac City, and within the jurisdiction of this Honorable Court, the accused, being the owner of a business establishment with principal address at Phase I, Northern Hills Subd., San Vicente, Tarlac City, the accused, conspiring, confederating and helping one another did then and there willfully, unlawfully and feloniously, in unfair competition with the intention of deceiving and defrauding the public in general and the PIÑAKAMASARAP CORPORATION, the name "MARCA PIÑA," and sell or offer for sale soy sauce manufactured by them with the brand name "Marca Piña," which is a version of the trademark, and using the bottles of Piñakamasarap Corporation and substituted the contents thereof with those manufactured by the accused and passing to the public the products, thereby inducing the public to believe that the soy sauce sold or offered for sale by the accused are genuine "MARCA PIÑA" soy sauce, to the damage and prejudice of PIÑAKAMASARAP CORPORATION.
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> CONTRARY TO LAW.[26]

Petitioners filed a Motion to Quash the Information,[27] alleging that their rights to due process and speedy trial had been violated. Other than the notice of hearing sent by the court, they never received a subpoena which required them to submit their evidence during a preliminary investigation. Petitioners further averred that certain delays in the trial are permissible, especially when such delays are due to uncontrollable circumstances or by accident. In this case, the inordinate delay was obviously brought by the lackadaisical attitude taken by the prosecutor in prosecuting the case. Petitioners pointed out that there was already a delay of six (6) long years from the time the initial complaint was filed, and that they had already been prejudiced. Their life, liberty and property, not to mention their reputation, have been at risk as there has been no determination of the issue of whether or not to indict them. Thus, the case should be dismissed in order to free them from further capricious and oppressive dilatory tactics of the prosecution. Indeed, their right to a speedy trial is part of due process, both of which are guaranteed by no less than the fundamental law itself. They insisted that they should not be made to unjustly await the prosecution of the charges against them.

In opposition, the City Prosecutor clarified that subpoenas were sent to the parties during the preliminary investigation. In fact, petitioner Henry Uy appeared and submitted the case for resolution without submitting additional evidence. Also, the proceedings in the MTC were not part of preliminary investigation but the trial on the merits.[28]

On September 8, 2000, the court issued an Order denying the motion to quash.[29] The court ruled that:

> While there must have been a protracted trial since the case was originally filed before the Municipal Trial Court, a period of about six (6) years, as the accused contends, nevertheless the delay if any, is partly attributable to the accused. [They] allowed the prosecution to rest the evidence in chief before raising the issue of lack of jurisdiction. Had the accused immediately raised the issue of lack of jurisdiction, this case could have been filed anew before the RTC. The accused allowed themselves to be arraigned without raising the issue of jurisdiction. In fact, the prosecution [had] rested its evidence in chief.
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> The parties may[,] however[,] stipulate in the pre-trial that all the proceedings taken before the Municipal Trial Court are automatically reproduced and are considered part of the prosecution's evidence, so that the trial will now be with respect to the reception of defense evidence. [30]

Petitioners filed a motion for reconsideration of the Order[31] which the trial court denied.[32] At the same time, the court granted the oral motion of the prosecution to amend the Information to reflect in its caption that the law violated by the accused is R.A. No. 8293 and not Article 189 of the Revised Penal Code. On October 12, 2000, the City Prosecutor filed an amended Information. The inculpatory portion reads:

> That on or about February 14, 1994 and sometimes prior thereto, at Tarlac City, and within the jurisdiction of this Honorable Court, the accused, being the owner of a business establishment with principal address at Phase I, Northern Hills Subd., San Vicente, Tarlac City, the accused, conspiring, confederating and helping one another did then and there willfully, unlawfully and feloniously, in Violation of Sec. 168 of R.A. No. 8293 with the intention of deceiving and defrauding the public in general and the PIÑAKAMASARAP CORPORATION, the name "MARCA PIÑA," and sell or offer for sale soy sauce manufactured by them with the brand name "Marca Piña," which is a version of the trademark, and using the bottles of Piñakamasarap Corporation and substituted the contents thereof with those manufactured by the accused and passing to the public the products, thereby inducing the public to believe that the soy sauce sold or offered for sale by the accused are genuine "MARCA PIÑA" soy sauce, to the damage and prejudice of PIÑAKAMASARAP CORPORATION.
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> CONTRARY TO LAW.[33]

Petitioners then filed before the CA a petition for *certiorari* with prayer for temporary restraining order and preliminary injunction,[34] on the sole ground that respondent judge committed grave abuse of discretion in denying their motion to quash based on violation of their right to a speedy trial. They claimed that there was no active effort on their part to delay the case as they merely attended the scheduled hearings and participated in the preliminary investigation. On the contrary, it is the prosecution that has the unmitigated obligation to immediately file the Information with the proper court. The public prosecutor is supposedly knowledgeable of the existing laws and jurisprudence since his office has the delicate task of prosecuting cases in behalf of the State. Under the Rules on Criminal Procedure, he is the