

SOCIETE DE PRODUITS NESTLE, S.A.
Opposer,

IPC No. 14-2008-00328
Opposition to:

- versus-

SAM LIM CORPORATION,
Respondent-Applicant.

App. Serial No. 4-2008-002757
Date Filed: 7 March 2008
Trademark: SAM'S COFFEE
LABEL MARK

X-----X

Decision No. 2010-26

DECISION
BASED ON COMPROMISE AGREEMENT

SOCIETE DES PRODUITS NESTLE, S.A. ("Opposer") filed on 02 December 2008 an opposition to SAM LIM CORPORATION's ("Respondent-Applicant") Trademark Application Serial No. 4-2008-002757. The Opposer alleges that it is the first to adopt, use and file an application for the registration in the Philippines of the mark MUG DEVICE for use on goods including coffee, and thus, has the right to exclude others from registering or using an identical or confusingly similar mark such as Respondent-Applicant's SAM COFFEE LABEL MARK.

On 27 March 2009, the Respondent-Applicant filed its Answer refuting the Opposer's allegations and seeking the dismissal of the opposition for being devoid of merit.

During the preliminary conference on 27 July 2009, the parties manifested that they are amenable to settle the case amicably. The conference was reset a number of times upon requests by the parties on account of the then on-going negotiation for an amicable settlement.

On 09 June 2010, the parties filed a JOINT MOTION TO APPROVE COMPROMISE AGREEMENT, submitting copies of their "COMPROMISE AGREEMENT". The pertinent portions of the document read:

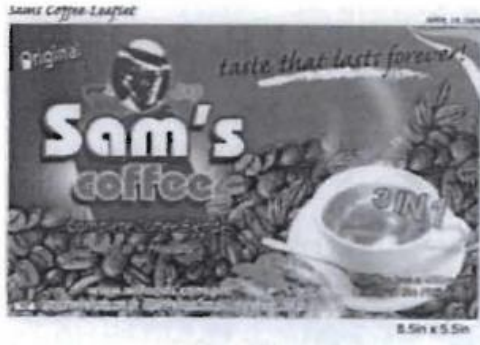
NOW THEREFORE, the Parties hereby agree as follows:

"1. SAM LIM recognizes / acknowledges the ownership of NESTLE over the MUG DEVICE trademark in Class 30, for coffee, and hereby undertakes:

- (a) To amend the SAM'S COFFEE LABEL MARK (as it appears in Trademark Application No. 4-2008-002757) shown below and hereinafter referred to as "MARK X";



into the mark shown below, hereinafter referred to as "MARK Y".



- (b) To amend Trademark Application Serial No. 4-2008-002757 filed for the registration of MARK X for coffee under International Class 30 in accordance with paragraph (a) above;
- (c) Not to use or seek or maintain registrations for MARK X; or marks including or derived from the MUG DEVICE of NESTLE; or marks confusingly similar to the MUG DEVICE; and
- (d) Not to oppose or object to NESTLE's use or efforts to register or maintain registrations for the MUG DEVICE mark or marks including or derived from the MUG DEVICE.

"2. NESTLE in turn, agrees to withdraw Inter Partes case No. 14-2008-00328 upon receipt of a copy of the notice of allowance issued by the Bureau of Trademarks on the amendments filed SAM LIM of Trademark Application No. 4-2008-002757, in order to replace MARK X with MARK Y.

"3. It is understood that the applicability of the instant Compromise Agreement shall be limited to the instant case only and that the said Compromise Agreement shall in no way prevent NESTLE from undertaking, if need be, legal measures or initiating lawsuits in the Philippines or elsewhere in the world in case of any violation of the foregoing provisions by SAM LIM.

"4. The foregoing provisions shall take effect immediately upon execution of the instant Compromise Agreement.

"5. The benefits and obligations of this Compromise Agreement shall be mutually binding upon, and inure to the benefits of the respective parties, their assigns and/or representatives.

This Bureau finds that the COMPROMISE AGREEMENT has been duly entered into by the parties with the terms and conditions thereof not contrary to law, morals, good customs, public order or public policy.

A compromise agreement intended to resolve a matter already under litigation is a judicial compromise. Having judicial mandate and entered as its determination of the controversy, it has the force and effect of a judgment. It transcends its identity as a mere contract between the parties or it becomes a judgment that is subject to execution in accordance with the Rules of Court. Thus, a compromise agreement that has been made and duly approved by the court attains the effect and authority of *res judicata*, although no execution may be issued unless the agreement receives the approval of court where the litigation is pending and compliance with the terms and agreement is decreed.'

WHEREFORE, premises considered, the parties' COMPROMISE AGREEMENT is hereby APPROVED. Accordingly, the approved COMPROMISE AGREEMENT having the force and effect of a decision or judgment, the parties are enjoined to faithfully comply with the terms set forth therein.

SO ORDERED.

Makati City, 15 July 2010.

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office