

UNITED AMERICAN
PHARMACEUTICALS, INC.,
Opposer,

-versus-

PROHEALTH PHARMA, INC.,
Respondent-Applicant.

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IPC No. 14-2009-00077

Opposition to:

Appln. Serial No. 4-2008-008751

Date Filed: 22 July 2008

Trademark: XIPROGEN

Decision No. 2010-36

DECISION
BASED ON COMPROMISE AGREEMENT

UNITED AMERICAN PHARMACEUTICALS, INC. ("Opposer") filed on 12 March 2009 an opposition to PROHEALTH PHARMA, INC.'s ("Respondent-Applicant") Trademark Application Serial No. 4-2008-008751. The Opposer alleges that it is the owner of the ZITHROGEN trademark which was applied for registration prior to the application of the Respondent-Applicant for the registration of the trademark XIPROGEN. According to the Opposer, XIPROGEN is confusingly similar to ZITHROGEN.

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 25 November 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 25 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, in view of the above premises and for other good and valid considerations, the Parties hereby agree as follows:

"1. The parties recognize and acknowledge each other's right to use, apply for, register and maintain their trademarks ZITHROGEN and XIPROGEN in connection with their respective goods as stipulated in this Agreement.

"2. PROHEALTH hereby undertakes that:

- a) The use and registration of its XIPROGEN trademark in relation to goods under Class 5 covering 'Drug product for uncomplicated and complicated infections caused by Ciprofloxacin-sensitive pathogens' shall be limited to what is enumerated and depicted in its Trademark Application No. 4-2008-008751.
- b) PROHEALTH shall neither oppose any application that UAP will file with the IPO for the registration of UAP's ZITHROGEN trademark.
- c) PROHEALTH shall reimburse UAP the amount of Six Thousand One Hundred Sixty One Pesos (php6, 161.00) representing 50% of the filing fee paid by UAP to the Intellectual Property Office.

“3. UAP, on the other hand, agrees:

- a) To allow the registration of the trademark XIPROGEN but limited only to class 5; ‘Drug product for uncomplicated and complicated infections caused by Ciprofloxacin-sensitive pathogens’.

“4. The Compromise Agreement shall be limited to the territory of the Philippines and shall bind the Parties, their assigns or successors-in-interest exclusively.

“5. The parties hereby release, waive and quitclaim any and all claims or causes of action against each other related to or involved in any of the matters alleged in IPC NO. 14-2009-00077.

“6. The parties undertake to observe the terms and conditions of this Agreement in utmost good faith.

“7. This Agreement shall become effective and enforceable immediately upon approval by this Honorable Office of a duly signed copy thereof.

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.¹

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, 06 July 2010.

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

¹ California Manufacturing Co., Inc. v. City of Las Pinas, et al., G.R. 178461, 22 June 2009, citing Viesca v. Gilinsky, G.R. No. 171698, 04 July 2007 (526 SCRA 533, 557-558); also Office Order No. 134, s.2004, Sec. 5