



**BLUE CROSS INSURANCE, INC. &
BLUE CROSS HEALTH CARE, INC.,**
Opposer,

-versus-

**BLUE CROSS AND BLUE SHIELD
ASSOCIATION,**
Respondent- Applicant.

x-----x

}
} **IPC No. 14-2013-00119**
} **Opposition to:**
} **Appln. Serial No. 4-2006-005270**
} **Date Filed: 17 May 2006**
} **TM: "BLUE CROSS"**

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 137 dated May 15, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 15, 2014.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



BLUE CROSS INSURANCE INC. AND	}	IPC NO. 14-2013-00119
BLUE CROSS HEALTH CARE, INC.,	}	
Opposers,	}	Opposition to:
	}	Appln. Serial No. 4-2006-005270
-versus-	}	Date Filed: 17 May 2006
	}	Trademark: BLUE CROSS
BLUE CROSS AND BLUE SHIELD ASSOCIATION,	}	
Respondent-Applicant.	}	
x-----x		Decision No. 2014 - <u>137</u>

DECISION BASED ON COMPROMISE AGREEMENT

BLUE CROSS INSURANCE INC. AND BLUE CROSS HEALTH CARE, INC. ("Opposers"), filed on 20 May 2013 an opposition to Trademark Application Serial No. 4-2006-005270. The application filed by **BLUE CROSS AND BLUE SHIELD ASSOCIATION** ("Respondent-Applicant") covers the mark **BLUE CROSS** for use on goods under Class 36. The opposition is anchored on Sections 123.1 (d) and (e) of R.A. 8293 otherwise known as The Intellectual Property Code of the Philippines ("IP Code").

On 02 September 2013, the Respondent-Applicant filed its Answer refuting the material allegations of the Opposer.

In compliance to Office Order No. 154, s. 2012 ("*Rules of Procedure for IPO Mediation Proceedings*") and Office Order No. 197, s. 2010 ("*Mechanics for IPO Mediation and Settlement Period*"), this Bureau issued on 19 September 2013 Order No. 2013-215 referring the case to mediation.

On 02 April 2014, the parties filed a Manifestation and Joint Motion to Dismiss praying that judgment be rendered in accordance with the terms of the Compromise Agreement and that the instant case be dismissed accordingly. The pertinent portion of the Compromise Agreement reads:

"NOW THEREFORE, for and in consideration of the foregoing premises and the mutual covenants contained in this Agreement, the Parties hereby agree as follows:

"1. Subject to the transition period provided in this Agreement, BCII shall cease and desist from using the BLUE CROSS and blue cross design marks (as shown in Attachment 1), including similar variants thereof, such as, but

not limited to: a) the use of a cross design in any color with the word BLUE, and b) any design of a cross that incorporates the color blue alone or the color blue in combination with another color, in the Philippines or elsewhere, in connection with its business. BCII shall make the obligations under this Agreement binding upon its assigns and successors-in-interest.

"2. Within six (6) months of the signing of this Agreement by the parties, BCII shall file with the appropriate authorities or offices a request to change its corporate name. The new name shall not include any word that is a translation or transliteration of the words 'BLUE' and 'CROSS' together or any logo or design that includes a design of a cross that incorporates the color blue alone or the color blue in combination with another color.

"3. Simultaneous with the execution of this Agreement, BCII shall withdraw and abandon the following Philippine trademark applications:

- Application Serial No. 4-1992-080868
- Application Serial No. 4-1992-080869
- Application Serial No. 4-2005-011110
- Application Serial No. 4-2005-011111
- Application Serial No. 4-2009-006000
- Application Serial No. 4-2009-006001
- Application Serial No. 4-2009-007279
- Application Serial No. 4-2009-007280
- Application Serial No. 4-2011-501642
- Application Serial No. 4-2011-501637
- Application Serial No. 4-2011-501645
- Application Serial No. 4-2012-501578
- Application Serial No. 4-2012-501579
- Application Serial No. 4-2012-501580

"4. Within thirty (30) days from the execution of this Agreement, BCII shall withdraw and abandon all of its trademark application and registrations filed and issued outside the Philippines for marks that include the words 'BLUE' and 'CROSS' together or a design of a blue cross, including those depicted at Attachment 1 and similar variants thereof or any logo or design includes a design of a cross that incorporates the color blue alone or the color blue in combination with another color.

"5. BCII shall henceforth not file in the Philippines or elsewhere any new applications to register any trademark, service mark, trade name or corporate name that includes the words 'BLUE' and 'CROSS' together or a design of a cross that is blue, including those depicted at Attachment 1 and similar variants thereof or any logo or design that includes a design of a cross that incorporates the color blue alone or the color blue in

combination with another color.

"6. BCII shall henceforth not challenge BCBSA's exclusive right to use and register any BLUE CROSS and blue cross design marks, including similar variants thereof, in the Philippines or elsewhere, in connection with goods and services in any class.

"7. The Parties agree to settle the following Trademark Opposition Cases by jointly submitting the duly executed copy of this Agreement to the Bureau of Legal Affairs of the Intellectual Property Office of the Philippines:

- IPC No. 14-2011-00016 opposition against application no. 4-2009-007280
- IPC No. 14-2012-00289 opposition against application no. 4-2011-501642
- IPC No. 14-2012-00334 opposition against application no. 4-2011-501637
- IPC No. 14-2012-00418 opposition against application no. 4-2011-501645
- IPC No. 14-2012-00508 opposition against application no. 4-2012-501580
- IPC No. 14-2012-00559 opposition against application no. 4-2012-501579
- IPC No. 14-2013-00119 opposition against application no. 4-2006-005270

"8. The Parties agree to settle the case entitled 'Blue Cross Blue Shield Association versus Blue Cross Health Care, Inc. and Blue Cross Insurance, Inc.' docketed as SEC Case No. 4206, by jointly submitting the duly executed copy of this Agreement to the Securities and Exchange Commission of the Philippines.

"9. BCBSA hereby agrees to grant BCII a transition period of twenty four (24) months from the execution of this agreement within which to terminate BCI's use of the BLUE CROSS word and blue cross design mark on all materials, whether internal or consumer facing. For a period of twelve (12) months from the termination of the said twenty-four month period, BCII shall be allowed to indicate through a legend the fact of their past use of the BLUE CROSS and blue cross design marks in materials intended for public dissemination provided that the manner of use shall not convey the impression that BCII are or have been associated with BCBSA as and affiliate, subsidiary, licensee or co-venturer. The parties shall collectively work on and approve the legend authorized by this paragraph 9.

"10. The periods provided in preceding paragraph may be extended by BCBSA upon prior written request made by BCII on reasonable grounds at least three (3) months prior to the expiration of the period sought to be extended. For the avoidance of doubt, BCBSA shall have the absolute discretion to grant the extension.

"11. The terms and conditions of this Compromise Agreement may be amended, waived or modified only by agreement in writing signed by the Parties of their respective assigns or successors-in-interest.

"12. The Parties agree to file the necessary motions for judgment based on compromise to give effect to the terms of this Agreement and the dismissal of the cases identified in paragraphs 7 and 8 above.

"13. The Parties shall abide by the terms and conditions of this Agreement in utmost good faith and, to this end, shall not issue, state or make any derogatory, malicious or negative statements, announcements or press releases with respect to the other Party.

"14. The Parties shall not divulge or disclose any facts relating to this Agreement, including its existence and its specific terms and conditions, to any third parties without the written consent of the other Party. Notwithstanding the foregoing, the Parties are allowed to inform their employees and officers who have a need to know, and their respective legal counsel, regarding the existence and terms of this Agreement or the Intellectual Property Office and the Securities and Exchange Commission in connection with the dismissal of the cases identified in paragraphs 7 and 8 above, or the appropriate court in the event a Party seeks to apply for injunctive relief or any other action to enforce the terms of this Agreement. In addition, BCBSA shall be allowed to inform the Blue Cross and Blue Shield licensees of the fact that a settlement has been reached regarding the trademark disputes that were pending between the Parties.

"15. The Parties have read and all the terms and conditions carefully and acknowledge that the same is entered into free of duress, force, misrepresentation, intimidation and any and all other forms of vice of consent.

"16. This Agreement shall be deemed effective once signed by all parties below."

This Bureau evaluated the COMPROMISE AGREEMENT and finds that the same 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.

Under Sec. 5 of Office Order No. 154, s. 2010, an approved Compromise Agreement shall have the effect of a decision or judgment on the case and shall be enforced accordingly.

WHEREFORE, premises considered, the parties' COMPROMISE AGREEMENT is hereby **APPROVED**. Accordingly, the instant opposition case is hereby **DISMISSED**. Let the filer of Trademark Application Serial No. 4-2006-005270 be returned, together with a

copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 15 May 2014.


ATTY. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs *jsr*

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