



CELINE S.A.,
Opposer,

-versus-

CHAN KOK BIN,
Respondent- Applicant.

X-----X

}
} IPC No. 2029
} Opposition to:
} Appln. Serial No. 47274
} Date Filed: 25 January 1982
} TM: "CELINE"
}
}
}
}
}

NOTICE OF DECISION

**CASTILLO LAMAN TAN
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GREETINGS:

Please be informed that Decision No. 2013 - III dated June 19, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 19, 2013.

For the Director:


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



CELINE S. A.,	}	Inter Partes Case No. 2029
Opposer,	}	Opposition to:
	}	
- versus -	}	Application Serial No. 47274
	}	Date Filed: 25 January 1982
CHAN KOK BIN,	}	
Respondent-Applicant.	}	Trademark: CELINE
x-----x	x	Decision No. 2013 - <u>111</u>

DECISION BASED ON COMPROMISE AGREEMENT

The records show that this Bureau issued Decision No. 2005-05 dated 11 February 2005, which dismissed the opposition filed by Opposer to the application for registration of Trademark Application No. 47274. Subsequently, a motion for reconsideration of the decision was filed by the Opposer which was denied by this Bureau per Resolution No. 2005-05(D) dated 07 June 2005.

Not satisfied with the ruling of this Bureau, the Opposer filed its appeal on 12 July 2005 with the Office of the Director General. On 23 December 2005, the Office of the Director General issued a Decision affirming the ruling of this Bureau.

The case went up to the Court of Appeals and then to the Supreme Court whereby on 13 February 2013, the latter issued a Resolution referring the case to this Office for appropriate action on the parties' Joint Motion to Render Judgment Based on Compromise Agreement. The pertinent portions of the Compromise Agreement read, as follows:

"NOW, THEREFORE, in view of the above premises, the Parties hereby agree as follows:

"1. Mr. Chan hereby assigns upon execution of the present Agreement in favor of the First Party all his rights and interest in his Trademark Application SN 47274 for the mark "CELINE", which application is the subject of IPC No. 2029. It is the desire of Mr. Chan that with the assignment of the application, the First Party will immediately be issued a certificate of registration by the IPOP HL over the mark "CELINE" in Classes 18 and 25. This Agreement shall be treated as the assignment agreement or deed of assignment and there shall be no further need for the execution of a separate assignment agreement or deed of assignment. However, should the parties be required by the IPOP HL to submit a separate assignment agreement or deed of assignment, the parties shall fully cooperate with each other by executing and signing said document for submission to the IPOP HL.

"2. Within 15 days from the Agreement's signature date, Mr. Chan and the First Party shall cause the dismissal of IPC No. 2029, as well as the Supreme Court petition in G.R. No. 197992 by filing the appropriate motions to dismiss, copies of which are attached as Annexes "A" and "B".

"3. The Second Party hereby withdraws its opposition to the issuance of the Certificate of Registration for the First Party's Trademark Application No. 60610. It is likewise the desire of the parties that consistent with the entire Agreement, the First Party shall be entitled to and shall receive the Certificate of Registration for Trademark Application No. 60610 over the mark "CELINE" in Classes 3, 18 and 25.

"4. CMC hereby assigns upon execution of the present Agreement in favor of the First Party its registration for "CELINE" as a trade name and retail services-related trademark under Certificate of Registration No. 4-2000-00535 such that the First Party shall then become the registered owner of said rights. This Agreement shall be treated as the assignment agreement or deed of assignment and there shall be no further need for the execution of a separate assignment agreement or deed of assignment. However, should the parties be required by the Bureau of Trademarks to submit a separate assignment agreement or deed of assignment, the parties shall fully cooperate with each other by executing and signing said document.

"5. Within six (6) months from the signing date of this Agreement, the Second Party shall assign in favor of the First Party the domain name "celine.com.ph." Likewise, this Agreement shall be treated as the assignment agreement or deed of assignment and there shall be no further need for the execution of a separate assignment agreement or deed of assignment. Should there be a need for the parties to sign a separate assignment agreement or deed of assignment, the parties shall fully cooperate with each other by executing and signing said document.

"6. Within 15 days from the Agreement's signature date, the First Party and CMC shall cause the dismissal of IPC No. 14-2011-0017 by filing the appropriate motion to dismiss, a copy of which is attached as Annex "C".

"7. The Second Party hereby undertakes:

"(a) not to seek registration of "CELINE" or any other "CELINE"-formative names as a trademark and/or as a trade name/domain name (for or on any class of goods or services), in and outside the Philippines. In this regard, the Second Party hereby warrants that there are no other existing applications or registrations for "CELINE" apart from those listed in Articles 1 and 4 hereof;

"(b) not to use as well as to stop any and all use of the trademark/trade name/domain name "CELINE" for any kind of goods or services, except in the manner of use defined in Article 11 below;

"(c) to dispose of all their goods, hangtags and packagings bearing the mark "CELINE" not later than December 31, 2012; and

"(d) to amend the business name "CELINE HIGH FASHION BOUTIQUE" and the corporate name "CELINE MARKETING




CORPORATION" by deleting the name "CELINE" from both names and thereafter to implement and carry out the changes within four (4) years from the signing date of the Agreement.

"8. The Second Party hereby warrants that the assigned trademark/trade name/domain name referred in Articles 1, 4 and 5 are in force at the date of the present deed and can be fully assigned. In this regard, the Second Party warrants that it has not assigned and/or transferred/licensed any rights over the said trademark/trade name/domain name, partially or as a whole to other physical persons and/or legal entities.

"9. The Second Party undertakes to deliver the original trademark registration certificates of both assigned marks to the First Party at the assignment's signature date as well as any other official document needed by the latter, via email and registered letter within the month following such date. The correspondence address shall be the one of the First Party's representatives for the present Agreement.

"10. As consideration for the assignments, the Second Party is hereby granted a right of first negotiation (the "First negotiation right"), which is defined as the right, during five (5) years after the Agreement's signature date, to be considered for appointment as retail distributor in the Philippines for the First Party's products through the operation of exclusive "CELINE" boutique stores, in the event the First Party decides to appoint one for the Philippines, but subject to terms and conditions to be mutually agreed between the First Party and the Second Party. Once a decision to appoint a retail distributor for the Philippines is made, the First Party shall notify the Second Party through Mr. Chan of the First Party's intention and the parties shall discuss the terms and conditions of the distribution. Should the discussions fail, the First Party may then invite other prospective retail boutique distributors. For the avoidance of doubt, the parties are not under any obligation to conclude a retail distribution agreement and their right and obligation is only for the First Party to grant first to the Second Party the right to discuss in good faith the prospects of being appointed as a retail boutique distributor during the time period above mentioned.

"11. As an exception to Article 7, and as additional consideration for the assignments, specifically of the trade name/trademark registered in Class 35:

"(a) The First Party shall not object to the Second Party's use of the device  as shown in Annex "D" hereof, to be affixed on their boutiques' signboards/signages and on their corresponding shopping bags in the conditions set forth below. Such device shall replace the Second Party's present stores' signage and shopping bags. The Second Party undertakes to complete the change of its stores' signages and shopping bags within four years from signing of the Agreement.

"(b) Such use is only valid for a period of five (5) years from the signing date of this Agreement.



“(c) At the end of the fifth year from signing date of this Agreement, the Second Party shall delete the word “CELINE” from **CLN** in the signages of their boutique stores, as well as on their shopping bags. In the event, however, that the Parties reached agreement for the Second Party to be the exclusive retail distributor in the Philippines of the First Party, the Second Party shall delete immediately the word “CELINE” from all the signages of its existing boutique stores and shopping bags before the opening of the first boutique store under the exclusive retail distributorship agreement.

“(d) The Second Party’s obligation to stop using the name “CELINE” within the device **CLN** either as a business name, trade name or trademark at the end of the fifth year from the signing date of this Agreement is not dependent on the First Party’s obligation to grant a First negotiation right to the Second Party as provided in Article 10.

“(e) During the transitional period, the Parties will cooperate with one another to resolve and minimize any confusion that may come to the attention of the Parties as the result of their respective activities. In particular, and subject to the exception of the phasing-out period set forth in Article 7, the term “CELINE” in the signages of the boutique stores and their shopping bags should not be emphasized, i.e., not be used in an isolated way nor in a different format size except as shown in Annex “D” hereof.

“12. The Second Party will not oppose, seek to cancel, or otherwise challenge any present or future use of the trademark and/or domain name registrations and/or applications for “CELINE” and any other “CELINE”-formative name made by the First Party in the Philippines and in any other country.

“13. This Agreement shall bind the parties and their subsidiaries, affiliates, assignees, successors-in-interest, licensees, agents and representatives.

“14. The parties hereby release, waive and quitclaim any and all claims or causes and rights of action and defenses against each other related to or involved in any of the matters alleged in the opposition, cancellation and appeal proceedings.

“15. The parties undertake to observe the terms and conditions of this Agreement in utmost good faith. Without prejudice to any other existing remedy or action, it is understood that in the event of a material breach to this Agreement, the non-defaulting party can serve a notice on the defaulting party to perform within an appropriate time of 60 days from receipt, and can declare that unless performance takes place within such time, this Agreement shall automatically terminate.



"16. This Agreement shall be kept confidential. Nevertheless either party shall be permitted to disclose this Agreement (a) to the extent necessary to enforce any of its provisions/stipulations, (b) as required by any law, rule or regulation, (c) to comply with any subpoena, search warrant, order or directive of any court, arbitrator, or governmental or regulatory body or agency, or (d) upon written consent of the other party.

"17. Each party shall bear the expenses, including but not limited to, attorney's fees and filing fees that it incurred in this case.

"18. This Agreement shall become effective and enforceable immediately upon the signing thereof.

"19. The parties shall strive to settle any dispute arising in connection with this agreement through negotiations in amicable manner.

"20. The validity, interpretation and implementation of this agreement shall be governed by the laws of the Philippines.

"21. If any provision of this Agreement is held void or unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect."

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.

Accordingly, an approved Compromise Agreement shall have the effect of a decision or judgment on the case and shall be enforced accordingly in accordance with the pertinent rules of IPO and the Rules of Court.

WHEREFORE, premises considered, the parties' Compromise Agreement is hereby **APPROVED**. Accordingly, the instant opposition case is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 47274 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 19 June 2013.


Atty. **NATHANIEL S. AREVALO**
Director IV, Bureau of Legal Affairs