



CELINE S.A.,
Petitioner,

-versus-

CELINE MARKETING CORP.,
Respondent-Registrant.

X-----X

}	IPC No. 14-2011-00017
}	Cancellation of:
}	Registration No. 4-2000-000535
}	Date Registered: Dec. 25, 2005
}	TM:"CELINE"
}	
}	
}	
}	
}	
}	

NOTICE OF DECISION

**CASTILLO LAMAN TAN
PANTALEON & SAN JOSE**
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GREETINGS:

Please be informed that Decision No. 2012 - 202 dated October 17, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 17, 2012.

For the Director:


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



CELINE S.A.,
Petitioner,

-versus-

IPC No. 14-2011-00017
Cancellation of:
Registration No: 4-2000-000535
Date Filed : January 25, 2000
Date Registered: December 25, 2005

CELINE MARKETING CORP.,
Respondent-Registrant.
x-----x

TM: "CELINE"

Decision No. 2012- 202

**DECISION BASED ON
COMPROMISE AGREEMENT**

CELINE S.A. ("Petitioner") filed on 28 December 2010 a Petition for Cancellation to Registration No. 4-2000-000535. The application filed by CELINE MARKETING CORP., ("Respondent-Registrant"), covers the mark "CELINE" for use on goods under Class 35.

This Bureau issued a Notice to Answer dated 28 March 2011 and served upon a copy thereof to Respondent-Applicant on 08 April 2011. The Respondent-Applicant filed its Answer on 29 July 2011.

In compliance to Office Order No. 154, s. 2010 (*"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 08 August 2011 Order No. 2011-233 referring the case to mediation.

On 24 September 2012, this Bureau received a "MEDIATOR'S REPORT" indicating the successful mediation of the instant case. Attached to the report is the parties' "COMPROMISE AGREEMENT" submitted to this Bureau for approval. The Agreement states, among other things:

"CELINE S.A., a corporation duly organized and existing under and by virtue of the laws of the Republic of France, with principal offices at 23/25, rue du Pont-Neuf 75001 Paris, FRANCE, represented in this Agreement by its authorized representative, Castillo Laman Tan Pantaleon and San Jose Law Offices ("First Party");

-and-

CHAN KOK BIN, of legal age and with office address at Suite 1801, 18th Floor, The Centerpoint Condominium, Garnet Street corner Julia Vargas Avenue, Ortigas Center, Pasig City ("Mr. Chan")

-and-

CELINE MARKETING CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal offices at Suite 1801, 18th Floor, The Centerpoint Condominium, Garnet Street corner Julia Vargas Avenue, Ortigas Center, Pasig City, represented in this Agreement by its authorized representative, Chan Kok Bin ("CMC"). Mr. Chan and CMC are hereinafter collectively referred to as the "Second Party."

The First Party and Second Party are collectively referred to as the "Parties."

WITNESSETH – That:

WHEREAS, the First Party is involved as early as 1946 in the design, manufacture, distribution and promotion of high quality luxury products, including but not limited to, ready-to-wear, shoes, bags, leather goods and accessories on a worldwide basis through a selective network of high end stores, under the well-known mark “CELINE”, among others.

WHEREAS, the First Party is the owner of the mark “CELINE” which was/is the subject of registrations and applications for registration with the Intellectual Property Office of the Philippines (“IPOP HL”), more specifically as follows:

1. the mark “CELINE” (word & device), registered in Classes 3, 14, 18, 25 and 34 under Certificate of Registration No. 32921 under priority of the French Trademark Registration No. 1,131,544, and which lapsed after five years.
2. the mark “CELINE” in Classes 3, 18 and 25 which has been allowed registration by the IPOP HL but has not been issued a Certificate of Registration. The application was docketed as Trademark Application No. 60610.
3. the mark “CELINE” in Classes 9 and 14 which was allowed registration under Certificate of Registration No. 4-2002-000534.

WHEREAS, beginning October 2, 1978, Mr. Chan started using the business name “CELINE HIGH FASHION BOUTIQUE” which he duly registered with the Department of Trade and Industry under Act. No. 3883, and the mark “CELINE” for use on shoes and bags which he applied for registration under Trademark Application Serial No. 47274.

WHEREAS, upon its publication, the FIRST PARTY filed its opposition to Application SN 47274 which was docketed as IPC No. 2029.

WHEREAS, after both the BLA and the Director General of the IPOP HL decided IPC No. 2029 in favor of Mr. Chan by allowing the registration of the mark “CELINE” in his favor, which decision was subsequently affirmed by the Court of Appeals, the First Party filed a petition for review with the Supreme Court of the Philippines docketed as G.R. No. 197992.

WHEREAS, at present, Celine Marketing Corporation, a corporation whose principal shareholder is and whose affairs are controlled by Mr. Chan and/or his family, is the registered owner of:

1. the mark “CELINE” in Class 35 (tradename) under Certificate of Registration No. 4-2000-000535, which is presently the subject of a petition for cancellation that the First Party filed against CMC with the IPOP HL, docketed as IPC No. 14-2011-00017;
2. the domain name “celine.com.ph”; and
3. the business name “Celine High Fashion Boutique” under Act No. 3883.

WHEREAS, it is now the mutual desire of the Parties to resolve their disputes by way of a compromise agreement in respect of the aforesaid opposition, cancellation and appeal proceedings and related applications and registrations, the intent being that the First Party shall ultimately be recognized as the sole lawful owner and user of the mark “CELINE” in Classes 3, 9, 14, 18, 25 and 35 and related goods and services;

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 Serial No. 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 IPOPHL 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 IPOPHL 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 IPOPHL.

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 (6) six 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) fifteen days from the Agreement's signature date, the First Party and CMC shall use cause the dismissal of IPC No. 14-2011-00017 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 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 packaging 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 store's signages and shopping bags within four (4) 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  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 not 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 his 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 terminated.

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.¹

WHEREFORE, premises considered, the parties' COMPROMISE AGREEMENT is hereby **APPROVED**. Accordingly, the Compromise Agreement having the force and effect of a decision or judgment, the parties are hereby enjoined to comply with the terms and conditions set forth therein. Let the filewrapper of Registration No. 4-2000-000535 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 17 October 2012.


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

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¹ Office Order No. 154 Series of 2010