



DAVAO CITIHARDWARE INC.,  
Petitioner,

-versus-

PETER L. TAY,  
Respondent-Registrant.

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}  
} IPC No. 14-2012-00214  
} Cancellation of:  
} Registration No. 4-2010-014041  
} Date Issued: 24 February 2012  
} TM: "CITI HARDWARE"  
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}

**NOTICE OF DECISION**

**ALDEVERA DUREZA-ALDEVERA LAW OFFICE**  
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**MARY JEAN J. JARANILLA**  
Counsel for the Respondent-Registrant  
YMCA Bldg., Iznart St., Iloilo City

**GREETINGS:**

Please be informed that Decision No. 2012 – 229 dated December 10, 2012 ( copy enclosed) was promulgated in the above entitled case.

Taguig City, December 10, 2012.

For the Director:

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



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IPC No. 14-2012-00214  
Cancellation of:

Registration No. 4-2010-014041  
Date Issued: 24 February 2012  
Trademark: "CITI HARDWARE"

Decision No. 2012 - 229

## DECISION BASED ON COMPROMISE AGREEMENT

DAVAO CITIHARDWARE INC. ("Petitioner") filed on 27 April 2012 a petition to cancel Trademark Registration No. 4-2010-014041. The registration issued to PETER L. TAY ("Respondent-Registrant") covers the mark CITI HARDWARE for use on goods under Classes 06 and 19.

This Bureau issued a Notice to Answer dated 28 June 2012 and served upon a copy thereof to Respondent-Registrant on 13 July 2012. The Respondent-Registrant filed its Answer on 15 August 2012.

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 10 September 2012 Order No. 2012-183 referring the case to mediation.

On 11 November 2012, the ADR Services of this Bureau submitted a Mediation Report indicating a settlement by the parties' of the case without undergoing mediation proceeding. Attached to the report is the parties' COMPROMISE AGREEMENT, the pertinent portions of which read:

"The Respondent-Registrant agrees to CONVEY, TRANSFER, WAIVE, RELINQUISH, in favor of the petitioner all rights he acquired relative to the mark: 'CITI HARDWARE' covered by Registration No. 4-2010-014041 issued by the Intellectual Property Office on February 24, 2012, under the following terms and conditions, to wit:

"a. The petitioner shall purchase from the respondent-registrant four hundred (400) pieces of finger jointed wood panel doors, made of either mahogany, acacia mangium, or gemelina wood, whichever is available, wit the following descriptions, to wit:

a.1 Model: Either Tokyo, Hawaii, Sapphire or Provence, whichever is available, as shown in the attached brochure;

a.2 Dimensions: Either 40mm x 800mm x 2100mm or 40mm x 900mm x 2100mm;

a.3 Appearance: Bare, not painted nor varnished;

a.4 The wood panel doors shall be generic, without Label or logo,

however, the petitioner may provide the labels, logo for packaging, at his own expense, to be attached by the respondent-registrant on the individual wood panel doors;

every month and every month thereafter for a period of three (3) years beginning November 2012 until petitioner shall have completed the total purchases of 14,400 pieces of wood panel doors.

b. The individual price of the wood panel doors shall be the prevailing market price at the time of purchase;

c. All purchases by the petitioner shall be payable upon pick-up at the respondent-registrant's factory at Brgy. Bigke, Coastal, Leganes, Iloilo Province;

d. All wood panel doors purchased by the petitioner from the respondent-registrant shall be picked up by the former at the factory/plant of the latter located at Brgy. Bigke, Coastal Road, Leganes, Iloilo Province, Philippines;

e. The respondent-registrant shall waive in favor of the petitioner his rights over the registration of the name/mark 'CITI HARDWARE' covered and described under Registration No. 4-2010-014041 issued on February 24, 2012 by the Intellectual Property Office only upon completion by the petitioner of the total purchases of 14,400 pieces of the aforementioned wood panel doors from the respondent-registrant, without need of demand;

f. The obligations of the respondent-registrant to supply the subject panel doors shall be suspended whenever there is unavailability of wood materials due to government restrictions, stoppage of operation of business of the respondent-registrant due to fortuitous event, acts of god and such other circumstances beyond the control of the respondent-registrant that shall have lasted for at least four (4) months. The respondent-registrant shall immediately notify the petitioner within thirty (30) days from the occurrence of such circumstances. Failure to do so shall not entitle him to the suspension of his obligations to supply the doors to the petitioner.

g. In the event the circumstances mentioned in paragraph f hereof shall have lasted for more than four (4) months, the respondent-registrant shall be free from his obligations and shall waive his rights over the name 'CITI HARDWARE' in favor of the petitioner even though the 14,400 total number of doors required of the latter to purchase from the respondent-registrant have not been completed.

h. The petitioner may purchase from the respondent-registrant a quantity of wood panel doors more than minimum of 400 pieces monthly but not to exceed 1,000 pieces provided with at least one (1) month prior notice to the respondent-registrant.

i. The respondent-registrant shall not actually use the mark registered under his name 'CITI HARDWARE' during petitioner's compliance of the terms and conditions of this Agreement except

**on products purchased by the petitioner only.**

"2. After compliance of the aforesaid conditions, the parties likewise agree that the aforesaid mark 'CITI HARDWARE' registered in the name of respondent-registrant PETER L. TAY under Registration No. 4-2010-014041 issued on February 24, 2012 be CANCELLED and the petitioner shall cause the transfer of the rights over the mark 'CITI HARDWARE' in its favor, at its own expenses without right of reimbursement from the respondent-registrant.

"3. During the period of compliance of this Agreement, the petitioner shall not use the mark 'CITI HARDWARE' on any and/or all products being offered by it for sale not produced/manufactured by the respondent-registrant, and to remove the mark 'CITI HARDWARE' on all products being offered for sale by it or not produced/manufactured by the respondent-registrant, if any.

"4. The parties bind themselves not to engage in any act during the period of compliance of this Agreement that will undermine the rights and/or transfer or conveyance of rights of the mark 'CITI HARDWARE'.

"5. Violation or violations of any of the provisions of this Compromise Agreement shall automatically cancel this Agreement."

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 (Sec. 5, Office Order No. 154, s. 2010).

**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 Trademark Application Serial No. 4-2010-014041 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 10 December 2012.

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