

ABOITIZ POWER CORPORATION, Complainant,

-versus-

IPV No. 10-2016-00004

For: Trademark Infringement, Unfair Competition and Damages

CLEAN ENERGY SOLUTIONS INTERNATIONAL INC. and the SECURITIES AND EXCHANGE COMMISSION, Respondents.

Respondents.

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NOTICE OF DECISION (Decision Based on Compromise Agreement)

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SECURITIES AND EXCHANGE COMMISSION

SEC Building EDSA Greenhills, Mandaluyong City

GREETINGS:

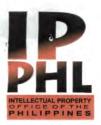
Please be informed that Decision No. 2016 - 14 dated October 07, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 07, 2016.

For the Director:

 $O \cdot O$ 10 POLEXA Atty. EDWIN DANILO A. DATING Director III **Bureau of Legal Affairs**

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Decision No. 2016- 14

DECISION BASED ON COMPROMISE AGREEMENT

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ABOITIZ POWER CORPORATION ("Complainant"), filed on 06 March 2016 a complaint against CLEAN ENERGY SOLUTIONS INTERNATIONAL INC. and THE SECURITIES AND EXCHANGE COMMISSION ("Respondents"), for alleged Trademark Infringement, Unfair Competition and Damages. The Respondent CLEAN ENERGY SOLUTIONS INTERNATIONAL INC. filed its Answer on 15 April 2016 refuting the material allegations of the Complainant.

Pursuant 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 26 May 2016 Order No. 2016-090 referring the case to mediation.

On 23 September 2016, however, the Complainant and Respondent CLEAN ENERGY SOLUTIONS INTERNATIONAL INC. filed a Joint Motion for Judgment Based on Compromise Agreement, the pertinent portion of which reads:

"NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby agree as follows:

1. CSi acknowledges that ABOITIZPOWER is the exclusive owner-registrant, by prior adoption and widespread use, of the CLEANERGY Marks. It also acknowledges that ABOITIZPOWER has generated considerable goodwill in its 'CLEANERGY' Mark since the inception of its use in 2001 in the Philippines.

2. Without admitting any liability, and solely for the purpose of amicably settling the Case, CSi agrees:

a. To cause the change of its corporate name with the SEC by filing the application for Amendment of Articles of Incorporation and By-Laws, with complete required documentation, within fifteen (15) days from execution of the Compromise Agreement, to change its corporate name to **'CSi Energy Solutions International, Inc.'**, and furnish ABOITIZPOWER copies thereof;

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b. To immediately desist from using the corporate name 'Cleanergy Solutions International, Inc.' in its websites, calling cards, and other promotional and advertising materials upon approval of the amendment of its corporate name;

c. Not to use and/or register in the Philippines the mark 'CLEANERGY' or 'CLEANENERGY' or any identical with or confusingly similar thereto, or names that are derivatives thereof, without first obtaining the express written consent of Complainant;

d. To respect Complainant's superior rights under Registration No. 4-2001-007900, 4-2002-006293, 4-2010-004381, and 4-2010-004382, including its right to use and/or register said marks for other goods and services, whether or not belonging to the same class, and agree not to contest the same.

3. In consideration of the foregoing, and CSi's submission to ABOITIZPOWER of copies of the documents (i.e., SEC approval/Certificate of Amendment of the Articles of Incorporation) showing the amendment of its corporate name as required in Section 2 above, both parties agree to jointly move for judgment based on compromise, as it hereby moves for judgment based on compromise, and to consider the case closed and terminated.

4. With the execution of the Compromise Agreement and upon full compliance by the parties with their respective undertakings herein, each party hereby waives, renounces and quitclaims any and all claims, causes of action or complaints which it may have against the other party, its officers, agents, employees, stockholders, and/or its attorneys, legal and paralegal assistants, as well as against any and all other persons, officers and entities involved in the above-mentioned Case. The parties' intention herein is to give an absolute, irrevocable, and mutual release.

5. In case of CSi's breach of the terms of the Compromise Agreement, it binds itself to pay, or cause to be paid, to ABOITIZPOWER the sum of One Million Pesos (P 1,000.000.00) as and by way of non-exclusive liquidated damages, without prejudice to any other legal remedies available to ABOITIZPOWER under the circumstances.

6. Should CSi: (a) fail to timely change its corporate name, (b) adopt a corporate name or register a mark similar to 'CLEANERGY' in the future, or (c) otherwise continue to use its current name or a name similar to 'CLEANERGY' in its websites, calling cards, and other promotional and advertising materials, ABOITIZPOWER shall be entitled against CSi to enforce full compliance with the terms of the Compromise Agreement, without prejudice to its right to claim liquidated damages and other legal remedies.

7. The Compromise Agreement shall be binding upon and inure to the benefit of the parties hereto and to their successors and/or assigns, and shall take effect and be binding on both parties upon execution of the same.

8. Both parties have read the Compromise Agreement and all its terms and conditions carefully and acknowledge that the same is executed free of duress, force, misrepresentation, intimidation and any and all other forms of vice of consent.

9. The parties have mutually represented and confirmed that their respective representatives are duly authorized to execute and deliver the Compromise Agreement as shown in the Secretary's Certificate attached as Annexes 'A' and 'B' of the Compromise Agreement.

10. Except where the disclosure of the terms of the Compromise Agreement is necessary or required by the IPO, other applicable laws and regulations, the parties agree to keep the terms and conditions of the Compromise Agreement confidential.

11. Neither Party admits liability to the other in connection with any of the claims or defenses asserted in the complaint and counterclaims, and nothing in the Compromise Agreement shall be construed as an admission by either party of unlawful or otherwise actionable conduct on its part."

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 in accordance with the pertinent rules of the Intellectual Property Office of the Philippines and the Rules of Court.

WHEREFORE, premises considered, the parties' Joint Motion for Judgment Based on Compromise Agreement is hereby APPROVED. Accordingly, with 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.

Taguig City, 07 OCT 2016

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