

PAGODA PHILIPPINES, INC.,  
Opposer,

- versus -

UNIVERSAL CANNING, INC.,  
Respondent-Applicant.

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IPC No. 14-2003-00060  
Opposition to:

Appln. Serial No. 4-1998-09114  
Date Filed: 15 December 1998  
Trademark: FAMILY'S BRAND

Decision No. 2010-77

DECISION  
BASED ON COMPROMISE AGREEMENT

PAGODA PHILIPPINES, INC. ("Opposer") filed on 8 December 2003 an opposition to UNIVERSAL CANNING, INC.'s ("Respondent-Applicant") Trademark Application Serial No.41998-09114. The Opposer alleges that the approval of the Respondent-Applicant's application for the registration of the mark FAMILY'S BRAND is contrary to Section 123.1 (d) and (f) of R.A. 8292; that it will violate the Opposer's right to the exclusive use of the trademark FAMILY which is duly registered in its favor; and that it has caused and will continue to cause great and irreparable damage and injury to the Opposer.

On 27 January 2004, the Respondent-Applicant filed its Answer refuting the Opposer's allegations and seeking the dismissal of the opposition for being devoid of merit.

Considering that the instant opposition case was filed under the old Rules on Inter Partes proceedings, a Pre-trial conference was set on 02 March 2004. The conference was reset a number of times as requested by the parties who were then negotiating for an amicable settlement. The conference was terminated on 20 July 2006.

When the amendments to the rules took effect on 01 September 2005,<sup>1</sup> this Bureau issued an Order on 07 October 2005 directing the parties to inform the Bureau whether they agree to be governed by the new rules. On 25 October 2005, Opposer filed a Manifestation declaring that it does not want to be governed by the new rules. Respondent-Applicant on the other hand, did not respond.

On 15 February 2010, this Bureau issued an Order granting the Respondent-Applicant's motion for the suspension of proceedings on the ground of a pending case before the Court of Appeals questioning the denial by the Director General of the Respondent-Applicant's Motion for Inhibition of then BLA Director, Atty. Estrellita Beltran Abelardo.

'On 16 September 2010, the parties filed a JOINT MOTION TO APPROVE COMPROMISE AGREEMENT, submitting copies of their "COMPROMISE AGREEMENT." The pertinent portions of the document read:

"NOW THEREFORE, the Parties have agreed by way of amicable settlement as follows:

"1. UCI shall have exclusive right to use, apply or secure registration of the mark FAMILY'S BRAND in connection with the conduct of any business involving any marine food products falling under any class of the NICE International Classification, whether live or not live, locally or internationally distributed or sourced, and those which have been canned, smoked, dried, salted, frozen, processed or preserved through other methods.

To this end:

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<sup>1</sup> Promulgated through Office Order No. 79, s. 2005. In its transitory clause, it mandatorily covers pending inter partes cases that have not yet undergone the pre-trial stage. But for those past this stage, the parties may, nonetheless, elect to be governed by the amendment. Essentially, Office Order No. 79 prescribed a summary procedure in the adjudication of all inter partes cases.

1.1. Inter Partes Case No. 14-2003-00060 -Pagoda shall withdraw its Notice of Opposition to UCI's Application Serial No. 4-1998-009114 (for the registration of the trademark FAMILY'S BRAND for use on canned sardines) now pending before the Bureau of Legal Affairs, Intellectual Property Office and allow the issuance of the corresponding certificate of registration in favor of UCI. A copy of the withdrawal of the Notice of Opposition in Inter Partes Case No. 14-2003-00060 is attached as Annex A and made an integral part of this compromise agreement.

1.2. Inter Partes case No. 14-1999-00059 -UCI shall amend its Trademark Application Serial No. 4-1993-087228, which UCI acquired by assignment from YCB Food Corp., from FAMILY & REPRESENTATION OF A ROOF to FAMILY'S BRAND. UCI will retain 'canned sardines', 'canned mackerel' and 'squid' and delete the following goods: 'canned sausages, frankfurters, corned beef, sweet ham, meat loaf, beef loaf, lechon paksiw, bacon, embutido, hot dog, beef tapa, longanisa, hamburger, spiced ham, tocino, pork adobo, chicken feet, mechado, green peas, ground beef. A copy of the request amendment of YCB trademark application (which was assigned to UCI) is attached as Annex B and made an integral part of this compromise agreement. Meanwhile, Pagoda shall withdraw its Notice of Opposition thereto now subject of the said inter partes case and allow the issuance of the corresponding certificate of registration in favor of UCI. A copy of the withdrawal of the Notice of Opposition in Inter Partes Case No. 14-1999-00059 is attached as Annex C and made an integral part of this compromise agreement.

1.3. UCI can use the trademark FAMILY'S BRAND for all marine food products and file application(s) for the registration of said trademark for use on marine food products and Pagoda will not oppose said application(s).

"2. Pagoda shall have exclusive right to use, apply or secure registration of the mark FAMILY in connection with the conduct of any business involving any and all kinds and classes of products falling under any class of the NICE International Classification except marine food products.

To this end:

2.1. Pagoda will continue to prosecute its Application Serial No. 4-1999-009740 filed December 17, 1999 for the registration of the mark FAMILY for use on jellies, canned goods namely: sardines, mackerel, corned beef, vienna sausage, meat loaf, liver spread, green peas and fruit cocktail, chicharon, nuts, pop corn, cheese curls, candies, chocolate bars, chocolate drinks, fruit juices, fruit drinks falling under Classes 29, 30 and 32 after deleting therefrom the goods 'sardines and mackerel' and other marine products, and UCI will not oppose said application. A copy of the request for deletion of sardines and mackerel is attached as Annex D.

2.2. UCI will amend its Application Serial No. 4-2006-003977 filed April 11, 2006 for the registration of the trademark FAMILY'S BRAND to FAMILY for use on tomato sauce and catsup falling under Class 30 and then, assign said application as amended to Pagoda. A copy of the request for amendment of UCI trademark application from FAMILY'S BRAND to FAMILY is attached as Annex E and a copy of the assignment of trademark application serial no. 4-2006-003977 by UCI to Pagoda is attached as Annex F and both are made integral parts of this compromise agreement. In turn, Pagoda will withdraw its Notice of Opposition (IPC No. 14-2007-00292) and its Petition for Review (CA-G.R. SP No. 109868) now pending with the Court of Appeals for being moot and academic attached herewith as Annexes G and H, respectively.

2.3 Pagoda can use the trademark FAMILY for all kinds of products except marine food products. Should Pagoda file an application for the registration of the trademark FAMILY for use on any product except marine food products, UCI will not oppose said application.

"3. Upon approval of this Agreement, the parties will take steps to do the following:

3.1. Civil Case No. 02-102988 now pending before Branch 24 of the Regional Trial Court of Manila -The Parties will file a joint motion for dismissal thereof attached herewith as Annex I.

3.2. CA-GR SP No. 109015 now pending with the Court of Appeals -Pagoda will withdraw its Petition for certiorari with prayer for temporary restraining order and writ of preliminary injunction attached herewith as Annex J.

3.3. BFAD FM-02-001 now pending with appeal before the Secretary of Department of Health -Pagoda will move to dismiss its Petition to Cancel UCI's product registrations attached herewith as Annex K.

"4. The Parties agree to avoid using colors and layouts similar to the other's existing labels in such manner that could cause confusion.

"5. The Parties further agree that:

- a) Each Party releases the other Party whom all rights and claims that he/it may have against the other arising from the disputes described above.
- b) This Agreement is a compromise of disputed matters and may not be construed as an admission of any party's liability.
- c) This Agreement is the result of a negotiated settlement and may not be construed as having been prepared by anyone party.
- d) In the event any action is instituted to enforce the provisions of this Agreement, the prevailing party will be entitled to recover damages and attorney's fees.
- e) This agreement is intended to bind and benefit the parties, their heirs, agents, legal representatives, assigns, and successors-in-interest.
- f) The Parties will bear their separate legal expenses and costs of litigation.

The Opposer attached to the COMPROMISE AGREEMENT, a Motion to Withdraw Verified Notice of Opposition.

This Bureau finds that the COMPROMISE AGREEMENT 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.

A compromise agreement intended to resolve a matter already under litigation is a judicial compromise. Having judicial mandate and entered as its determination of the controversy, it has the force and effect of a judgment. It transcends its identity as a mere contract between the parties or it becomes a judgment that is subject to execution in accordance with the Rules of Court. Thus, a compromise agreement that has been made and duly approved by the court attains the effect and authority of *res judicata*, although no execution may be issued unless the agreement receives the approval of court where the litigation is pending and compliance with the terms and agreement is decreed.<sup>2</sup>

Considering that the COMPROMISE AGREEMENT expressly states that the Opposer will withdraw the instant opposition case, with the Motion to Withdraw being made an integral part thereof, it is not necessary anymore to issue a separate order or resolution on the said motion.

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<sup>2</sup> California Manufacturing Co., Inc. v. City of Las Pinas, et al., G.R. 178461, 22 June 2009, citing Viesca v. Gilinsky, G.R. No. 171698, 04 July 2007 (526 SCRA 533, 557-558); also Office Order No. 134, s. 2004, Sec. 5

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. 4-1998-09114, together with a copy of this Order, be returned to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 25 November 2010.

NATHANIEL S. AREVALO  
Director, Bureau of Legal Affairs  
Intellectual Property Office