

SL & A INTERNATIONAL HOLDINGS, INC.,
Opposer,

-versus-

BENJAMIN E. HUGHES, II.,
Respondent-Applicant.

X-----X

SL & A INTERNATIONAL HOLDINGS, INC.,
Opposer,

-versus-

BENJAMIN E. HUGHES, II.,
Respondent-Applicant.

X-----X

IPC No. 14-2015-00038
Opposition to:
Appln. Serial No. 4-2014-502106
Date Filed: 15 May 2014

TM: PARTNERS IN CREATIVE SOLUTIONS

IPC No. 14-2015-00036
Opposition to:
Appln. Serial No. 4-2014-502104
Date Filed: 15 May 2014

TM: PARTNERS IN CREATIVE SOLUTIONS

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 75 dated 15 March 2017 (copy enclosed) was promulgated in the above entitled case.

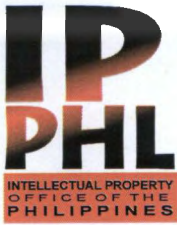
Pursuant to Section 2, Rule 9 of the IPOP HL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 15 March 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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SL & A INTERNATIONAL HOLDINGS, INC.,
Opposer,

- versus -

BENJAMIN E. HUGHES II.,
Respondent-Applicant.

x ----- x

} IPC No. 14-2015-00038
} Opposition to:
}
} Appln. No. 4-2014-502106
} Date Filed: 15 May 2014
} Trademark: "PARTNERS IN
} CREATIVE SOLUTIONS"
}

SL & A INTERNATIONAL HOLDINGS, INC.,
Opposer,

-versus-

BENJAMIN E. HUGHES II.,
Respondent-Applicant.

x ----- x

} IPC No. 14-2015-00036
} Opposition to:
} Appln. No. 4-2014-502104
} Date Filed: 15 May 2014
} Trademark: "PARTNERS IN
} CREATIVE SOLUTIONS"
}
} Decision No. 2017-75

DECISION

SL & A INTERNATIONAL HOLDINGS, INC. or SLAHC, for brevity ("Opposer")¹, filed oppositions to Trademark Application Serial Nos. 4-2014-502106 and Trademark Application Serial Nos. 4-2014-502104, both filed by BENJAMIN E. HUGHES II.², and assigned to STEVEN J. LEACH, JR. + ASSOCIATES (CONSULTANTS) INC. or Steven Leach Manila, for brevity ³("Respondent-Applicant"), that covers the marks "PARTNERS IN CREATIVE SOLUTIONS" and "PARTNERS IN CREATIVE SOLUTIONS device" for use on goods under class 42⁴ namely: "*architecture and design of interior decor*".

The Opposer SLAHC alleges that it traces its roots to Steven J. Leach, Jr., a renowned American architect and interior designer who began making a name for himself in Asia in the early 1970's, specializing in the design of corporate offices for banking, brokerage, hotels, and insurance sectors. Steven Leach opened his very first interior design office named Steven J. Leach Jr. & Associates Ltd. or Steven Leach Hong Kong in 1972. In 1974, he expanded his practice to Singapore. In 1999, the company set up Steven Leach + Associates PTE LTD, and transferred all business to this new company named Steven Leach Singapore. In 1976, Steven Leach opened in the Philippines as Steven J. Leach, Jr.

¹ A corporation duly organized and existing under and by virtue of the laws of the British Virgin Islands, with Certificate of Incorporation No. 272085 and registered office at TrustNet (British Virgin Islands) Limited, Trustnet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands.

² An individual with address at 21 Joaquin Street, San Lorenzo Village, Makati City, Metro Manila, 1223, Philippines.

³ A corporation with address at 3rd Floor, Miriam House, 151 Legaspi Street, Legaspi Village, Makati City, Metro Manila.

⁴ The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

named Steven Leach Singapore. In 1976, Steven Leach opened in the Philippines as Steven J. Leach, Jr. & Associate Consultant, Inc., which later changed its name to Steven J. Leach, Jr. + Associates (Consultants Incorporated) ("SL+A Manila"). Steven's name and brand of interior design solutions became well-known and highly regarded in interior design circles. Steven Leach Hong Kong, Singapore and Philippines were all permitted by Steven to use and operate under his name and brand. Later, it also expanded its interior design specialization to hospitality, food and beverage, institutional and retail design.

It stated that after the incorporation of the Respondent Company in 1976, Steven Leach produced a stylized elephant logo symbol which he called "Bimbo" to represent all SLA Group companies. Bimbo was borne out of Steven's fascination with elephants since childhood. In 1975, he was told by a fortune teller in Singapore that the elephant was his lucky animal sign. His trip in Indonesia where a logo of which looked like elephants with a turbinated mahout sitting on top of them was displayed in a hotel inspired him to create a Bimbo.

Sometime in the early 1980s, he invited Christopher Michael Devitt and Benjamin Edward Hughes II to pursue the business, thus, forming the Steven Leach Partnership. He stayed at the helm of Steven Leach Hong Kong; Chris Devitt took on Steven Leach Singapore; and, Ben Hughes was responsible for Respondent company. Each of the companies continued to use Steven Leach's name and brand including Bimbo, with Steven's approval. The Steven Leach Partnership owned all the Steven Leach trademarks. In the late 1980's, the partnership was abandoned and later formed a limited corporation with the partners as shareholders. This business flourished and extended to other East Asian countries. In 1994, Steven Leach Partnership standardized the use of the Steven Leach name or mark and Bimbo the elephant logo by all the SLA Group companies. According to the Opposer, the SLA Group companies further developed the tag line "Partners in Creative Solutions". As quoted from the current website of the Opposer, the tag line represents the entire business and operations of the Steven Leach Group through SLAHC:

'Partners in Creative Solutions

As professional interior designers, architects and project managers, Steven Leach has been partnering clients in East Asia longer than any other Interior Design Consultancy firm.

Located in 9 countries with over 250 staff networked across 2 continents and 8 time zones, we come from many diverse backgrounds and a variety of cultures. Our people unite across borders to provide a consistent professional service throughout Asia and into Eastern Europe, combining local knowledge with international expertise.

Large or small, our clients continue to be globally positioned and we personally support to each one to achieve the most innovative and effective solutions.

That's why, along with our commitment to quality, we are proud of our outstanding delivery and attention to detail and will continue to build on our skills to keep in touch with our clients' needs ahead of their expectations.'

In 2004 and thereafter, each of the SLA companies executed a Management Agreement with herein Opposer to provide professional, technical and consulting skills and expertise, including the use of the intellectual property owned by the SLAHC, in consideration of management fees.

Upon Steven Leach's demise in 1996, his mother and sole heir, Genevieve Leach sold Steven's holdings in the SLA Group companies. Following the said death, Steven Leach Hong Kong closed in 1998. Chris Devitt acquired all Steven's interest in Steven Leach Singapore and a portion of his interest in Steven Leach Bangkok, and Steven Leach Malaysia. Ben Hughes eventually acquired Steven's full interest in Respondent Company, Steven Leach Manila and part of Steven's interest in Steven Leach Bangkok, and Malaysia.

Meanwhile, SLAHC, as a continuation of the Steven Leach Partnership, was incorporated on 17 March 1998 in the British Virgin Islands. Chris Devitt, Ben Hughes and David Pipkin each subscribed to 1000 shares out of SLAHC's authorized capital of USD 50,000.00 at USD 1.00 per share through their respective companies, Mystic Seas Investments, Inc. which David Pipkin owned ('Mystic Seas-Pipkin'); Fairtown Investments Group Limited owned by Benjamin Hughes ('Fairtown-Hughes'); and Mighty Dragon Holdings Limited owned by Chris Devitt ('Might Dragon-Devitt'). To standardize and consolidate the business operations and trade appearance of SLAHC and the SLA Group of companies, SLAHC created its corporate website www.sla-group.com in 1998 which continued to exist and operate until the present time. The tag line 'Partners in creative solutions' appears on every page of SLAHC website together with the Steven Leach name and Bimbo the elephant logo.

In 2007, Devitt, Hughes and David Jeff Pipkin entered into an agreement to share in the management and control of SLAHC. They also agreed that all intellectual property rights arising out of or in connection with the business of the Company, including the company logo shall be vested in the Company. Beginning in 2007, shareholders were added in SLAHC which included the heads of SLA offices in Bangkok, Donal Coyne, Malaysia, Martin Axe and Rosie Chan, Partner in SLA Singapore. In 2008 new shareholders included Edward Pang General Manager of SLA Taiwan; Jennifer Chiang, SLA Romania; Jon Kim, SLA Korea. In 2014, new shareholders were added, including the Head of SLA Japan, Noriko Kitamura; Sharon Yeoh F & A Director & Design Director Betty Hsieh, SLA China.

In 2008, SLAHC commissioned Sedgwick Richardson, a branding communications expert, to redesign the corporate identity, including the symbol, word mark and logotype of SLAHC and the Steven Leach Group business, and execute applications thereof. The mark was registered in the following countries: Malaysia, Taiwan, Singapore, Hong Kong, Japan and China. Additional SLA Companies were established in Seoul, South Korea, and in Bucharest, Romania. A new SLAHC Shareholders Agreement dated 5 April 2013 was unanimously approved by all shareholders at a Board of Directors meetings in SLA Bangkok office on 22 and 23 August 2013, expressly superseding the 2007 Agreement.

The 2013 Agreement provided among others that SLAHC was organized to take ownership of the brand, logo and image of the SLA Companies and to lend these assets through cooperative arrangements to be utilized by SLA Group of companies. Thus, any and all trademarks, trade names, service marks, and others used by the SLA Companies and persons related to SLAHC, such as but not limited to the Bimbo Elephant Logo, the Tag Line "Partners in creative solutions" and the name Steven Leach and/or those related thereto including SLA or SL+A or SL-A, are owned by and belong to SLAHC. The SLA Group of companies use the said marks and intellectual property only because they are permitted or licensed by SLAHC.

In January 2014, it was discovered that contrary to the agreement, Ben Hughes filed in the Philippines applications for registration of trademark, including the subject mark of this case in his name, which are already registered under SLAHC in other countries. Opposer narrates that Pipkin personally discussed the said applications with Hughes which accordingly was filed for expediency and will either be withdrawn or assign to SLAHC. However, he passed away on 31 July 2014 in the Philippines.

SLAHC has expended and continues to expend substantial amounts, exert substantial efforts in the development, promotion and advertising of its marks and brands. It maintains a corporate website at www.sla-group.com to ensure global reach of the Steven Leach name and its brand and the promotion of all SLA Group Companies.

Therefore, the Opposer relies on the following grounds for this instant opposition: (1) Opposer SLAHC will be damaged by the registration of the mark 'PARTNERS IN CREATIVE SOLUTIONS', that is identical the tag line 'PARTNERS IN CREATIVE SOLUTIONS' developed and owned by SLAHC and which is a major component of the Steven Leach trademark. Granting the application would be tantamount to approving of theft and infringement of SLAHC's intellectual property and (2) the mark of Respondent-Applicant may and will be used as an instrument of unfair competition.

The Opposer's evidence consists of the following:

1. Affidavit of David Jeff Pipkin;
2. Certificate of Incorporation of SL & A International Holdings, Inc. in the Territory of the British Virgin Islands dated 17 March 1998;
3. Amendments to the Memorandum of Association of SL & A International (Asia) Ltd. incorporated on 9 March 1999 and Articles of Association;
4. Memorandum and Articles of Association of Steven J. Leach, Jr. & Associates Limited registered on 14 August 1973;
5. Companies Registry Electronic Search Services under the company name Steven J. Leach Jr. & Associates Limited; Memorandum and Articles of Association of Steven Leach Associates [Private] Limited incorporated on 11 May 1974; Memorandum and Articles of Association of Steven Leach Associates PTE, LTD. incorporated on 29 October 1998 (Singapore);
6. Certificate of Filing of Amended Articles of Incorporation of Steven .J. Leach, Jr. + Associates (Consultants) Incorporated (Sec. Reg. No. 65670); issued on Jan 5, 1984;
7. Image of Bimbo the elephant logo;
8. Company Affidavit certifying that S.J. Leach, Jr. & Associates was registered as company limited, Articles of Association of THL (Thailand) Limited; H
9. Memorandum & Articles of Association of SL & A Bdn. Bhd. (The Companies Act, 1965 Malaysia);
10. Memorandum & Articles of Association of SL & A International Inc. (Republic of Mauritius);
11. Memorandum of Association & Articles of Association of SL & A Development (China) Inc. (British Virgin Islands, The International Business Companies Act);
12. Pages 1, 2, 3 and 8 from Graphic Standards Manual;
13. Print copies of SLAHC website showing the overview of the Steven Leach as 'Partners in Creative Solutions';
14. Copy of fax transmission of a name and card layout to one of the SL+A Offices with transmission date of 20 April 2000;
15. Management Agreements executed by SLA Group with Opposer SLAHC in 2007, 2010, 2005 and 2013;
16. Print-out of website www.slagroup.com;
17. 2007 Agreement between Chris Devitt; Benjamin Hughes and David Pipkin;
18. Sedwick Richardson's Redesigning of the corporate identity, including the symbol, word mark and logotype of SLAHC and the Steven Leach Group business and its primary applications;
19. Certified true copy of the Certificate of Registration of Bimbo the Elephant Logo;
20. Registration Certificates for the Steven Leach trademarks in Malaysia, Taiwan, Singapore, Hong Kong, Japan and China;

21. Establishment of additional SLA Group companies in South Korea, the Steven Leach + Associates, Seoul in 2006;
22. SL & A International Holding Company, Inc. Shareholders Agreement on the Minutes of the Shareholders and Board of Directors of SL & A International Holdings, Inc. (August 23, 2013); and
23. Print-out of overview of SLA group.⁵

On 02 June 2015, Respondent-Applicant filed a Verified Answer. It alleges that the company Steven Leach Manila is a duly registered domestic corporation, incorporated in 1976 for the purpose of engaging in the business of interior design consultancy with special emphasis on office interiors, public and private hotel rooms, function and utility rooms for hotels, restaurants and offices, store display areas and layouts, factory layouts and machinery and equipment placement and in all related matters that will improve, enhance and/or provide for functional and/or decorative use of office, hotel, restaurant, store and factory areas.

As narrated, Benjamin Hughes, is a well-known interior design, who worked for more than 30 years as an interior design consultant in various locations in the United States of America. Since the 1960's he was based in Southeast Asia. For more than 40 years, Mr. Hughes had established his interior design career in the Philippines, having held primary interior design responsibilities on all projects commissioned to him from the 1960s. Mr. Hughes was a freelance designer until he joined Steven Leach Manila in 1976. He designed the offices of the Philippine Airlines-head Office and Ramcar, Inc. among others. He was also engaged by various residential clients in San Francisco, Miami, Los Angeles, London, Rome, Amsterdam, Madrid, Hongkong, Taipei, Tokyo and the Philippines.

Mr. Hughes met Steven Leach in the early 1970s, even before Steven J. Leach, Jr. & Associate Consultants, Inc. was incorporated. At the time, Mr. Hughes was the interior designer of the Philippine Airlines (PAL) Office in Ayala, Ave. and of Mr. Benny Toda Sr., the founder of PAL, for the latter's business and residences. It was Mr. Leach who asked to be introduced to Mr. Hughes, who at the time knew almost everyone among the social and economic elite in Manila. Mr. Leach recognized the potential of associating with Mr. Hughes due to the latter's huge clientele. It was at this point that Mr. Leach asked Mr. Hughes to join Steven Leach Manila and informed him that he opened his first interior design office in Asia in Hong Kong in 1972 and expanded the business to Singapore in 1974.

Mr. Hughes found Mr. Leach to be friendly and trustworthy person that they became close friends. Thus, in 1976, they formalized their partnership when Mr. Hughes joined Steven Leach Manila, as one of its directors and stockholders. During their partnership they discovered that they shared a fascination for elephants. Mr. Leach made reference to an elephant named "Bimbo" in an old/American drama /adventure series "Circus Boy". On the other hand, Mr. Hughes amazed with elephants and had a huge collection of elephant figures, accessories and ornaments displayed in the Steven Leach Manila office. When Mr. Hughes agreed to be partner, they spent hours designing a logo. Mr. Leach designed a logo depicting a frontal view of a single elephant which he likened to "Bimbo", the baby elephant in the adventure series. Mr. Hughes on the other hand proposed a three-elephant logo to represent the three firms in Hong Kong, Singapore and the Philippines. Said logo was first used in 1976.

In 1978, Mr. Hughes acquired half of Mr. Leach's shares in Steven Leach Manila. Mr. Christopher Michael Devitt, a British interior designer, was invited to form a partnership to expand the business. The three formed the Steven Leach Partnership and managed existing Steven Leach firms. Mr. Leach managed Hong Kong, Mr. Devitt and Mr. Hughes managed the Singapore and Manila offices, respectively. After opening a fourth Steven Leach firm in New York in 1979, the partnership expanded

⁵ Exhibits "A" to "V" inclusive of submarkings



and formed more Steven Leach firms in Taiwan, Bangkok, Malaysia. With the exception of Steven Leach Manila, all other Steven Leach firms were co-owned by Mr. Leach, Mr. Devitt and Mr. Hughes as partners.

Because of the overwhelming success of their partnership, sometime in the 1990s, Messrs. Leach, Hughes and Devitt came up with the tagline "Partners in Creative Solutions." They saw to it that all Steven Leach firms use the tagline "Partners in Creative Solutions" in order to represent the partnership. At the time the tagline was crafted, only Messrs. Leach, Hughes and Devitt were partners of the Steven Leach partnership.

The partnership developed the Steven Leach brand and the famous trademarks used by the Steven Leach firms. Ahead of the other then existing Steven Leach firms, such as SL + A, Partners in Creative Solutions in combination with the here elephant-logo, Steven Leach, StevenLeach, Steven Leach in combination with the three-elephant logo, The Steven leach Group, Steven leach and Partners in Creative Solution with the three-elephant logo, SL +A in combination with the three-elephant logo. Steven Leach Manila started using [i] the three-elephant logo in 1976; [ii] "Partners in Creative Solutions" in the 1990s; and [iii] SL+A in 1983 after Steven Leach Manila changed its name to Steven J. Leach, Jr. + Associates (Consultants) Incorporated.

After Mr. Hughes acquired half of Mr. Leach's interests in Steven Leach Manila, Mr. Leach divested himself of control and management of Steven Leach Manila and concentrated in managing Steven Leach Taiwan. Mr. Leach entrusted all his rights, including his intellectual property rights as partner over the three-elephant logo, the tagline and the use of Steven Leach marks by Steven Leach Manila to Mr. Hughes. Mr. Devitt had no interest and was never a part of Steven Leach Manila.

In 1980, Mr. Hughes replaced Mr. Leach as president of Steven Leach Manila. From 1980 until 2013, or a span of more than 30 years, Mr. Hughes held the position of President of Steven Leach Manila and managed its day to day affairs. Mr. Hughes continued to practice his profession as in interior designer through design consultancy services of Steven Leach Manila. Notable works of Mr. Hughes under the Steven leach name include the interior design in the Cocoon Boutique Hotel in Quezon City and the Zobel Residence in Station One Boracay.

At the time of the demise of Mr. Leach in 1996, the firms co-owned by Messrs. Leach, Hughes and Devitt as partners were the Steven Leach companies in Taiwan, Malaysia, Singapore, Japan and Bangkok. To be sure, Steven Leach Manila is the only Steven Leach entity which was never co-owned by the company, albeit one of the earliest in the SLA group. Following his death, the shares of and interests of Mr. Leach were transferred by the Estate of Mr. Leach to Messrs. Hughes and Devitt as continuing partners under their Partnership Agreement dated December 3, 1982.

Thus, at all times up to Mr. Leach's demise in 1996, opposer SL & A International Holdings, Inc. did not exist. It was only on March 17, 1998, more than a year after Mr. Leach's death, when Messrs. Hughes, and Devitt, together with Mr. Pipkin, incorporated opposer in the British Islands Virgin Islands. To be clear, opposer was formed for the sole purpose of providing services, such as market support, communications consulting services, accounting administration services, internet systems services and employee administrative services to Steven Leach firms. In accordance with its purpose, the SLAHC contracted with Steven Leach firms individually to provide marketing support, i.e. setting up a website www.sla-group.com.

Even after the demise of Mr. Leach, Messrs. Devitt and Hughes continued their business under the Partnership Agreement of 1982. SLAHC was never a partnership with Hughes and Devitt and Pipkin. In fact, they were mere representatives of their respective investor companies in SLAHC. Mr. Devitt died

on December 25, 2009. As the only surviving partner in the Steven Leach Partnership, Mr. Hughes became the owner of the tagline 'Partners in Creative Solutions' and all other Steven Leach marks developed and co-owned by the partners Messrs. Leach, Hughes and Devitt. As Mr. Hughes was interested in acquiring Mr. Devitt's interests, SLAHC acquired Mr. Devitt's interests in Steven Leach firms, which did not include Steven Leach Manila shares and the ownership over any intellectual property over the Steven Leach Brand including the tagline 'Partners in Creative Solutions'.

The Respondent-Applicant has emphasized that SLAHC's Memorandum of Association and Articles of Association do not even include the business of interior design. More, the stockholders of SLAHC are holding and investment companies which are not even doing business as interior design firms. Thus, SLAHC may not claim ownership over the Steven Leach brand and trademarks based on its 2007 Shareholders Agreement. Also, SLAHC may not claim ownership over the Steven Leach brand and trademarks based on its 2013 Shareholders Agreement.

Finally, Respondent-Applicant alleged that there was an assignment of trademarks between Benjamin E. Hughes II, as Assignor, and Steven J. Leach, Jr. & Associates Consultants, Inc., as Assignee. The said document states that the Assignor assigns unto the Assignee all rights, title and interest in and to the mark, together with the goodwill of the business symbolized by the (enumerated and attached) mark, and the application for registration/the registration thereof,

The Respondent-Applicant's evidence consists of the following:

1. Assignment of Mark between Benjamin E. Hughes II (Assignor) and Steven J. Leach, Jr. & Associates Consultants, Inc. (Assignee) of trademarks enumerated and illustrated in Annex "A";
2. Steven Leach Manila's Secretary's Certificate;
3. Copy of Certificate of Registration of Steven Leach, Manila as a corporation;
4. Copy of the Profile Steven J. Leach, Jr. + Associates (Consultants) Inc., inclusive of the Group Corporate Structure, Corporate Clients and Banking & Finance/Securities/Trading Rooms, Project Details and other corporate matters;
5. Copy of 1977 General Information Sheet of Steven Leach Manila;
6. Photographs of Benjamin Hughes' elephant collection;
7. Pictures of blueprints of the three-elephant logo;
8. Copy of Benjamin Hughes' letter to Genevieve Leach dated 08 September 1998;
9. Photocopy of a blueprint showing the use of SL+A by Steven Leach Manila;
10. Copy of the 1978 General Information Sheet of Steven Leach Manila;
11. Copy of 1980 General Information Sheet;
12. Copy of 1980 Steven J. Leach Jr. + Associates portfolio;
13. Certificate of Filing of Amended By-Laws dated 05 January 1984
14. Printout of the webpage <http://www.hotfrog.ph/Companies/Steven-J-Leach-Jr-Associates-nsultants-Inrporated/Interior-Design-1204>;
15. Copy of the Steven Leach Group document folder;
16. Fourth Steven Leach Firm in New York in 1979;
17. Printout of the webpage <http://www.philstar.com/modern-living/2014/03/01/1295587/green-cocoon>;
18. Printout of the webpage <http://showbizandstyle.inquirer.net/lifestyle/view/20080615-142737>;
19. Steven Leach interior design firms as co-owned by Leach, Hughes and Devitt;
20. Letter of Intent (December 30, 1996);
21. Indemnification Agreement dated 05 February 1998;
22. Indemnification Agreement dated 17 March 1998;
23. Copy of 2005 (2011) General Information Sheet;

24. Copy of Settlement Agreement for Christopher Michael Devitt's Interest in SLA Group;
25. Printout of webpage http://www.sla-group.com/aboutus/offices_aisa.php?lang=en;
26. Printout of webpage http://www.sla-group.com/aboutus/offices_europe.php?lang=en;
27. Printout of webpage http://www.sla-group.com/aboutus/offices_uk.php?lang=en;
28. Printout of webpage http://www.sla-group.com/aboutus/offices_usa.php?lang=en;
29. Earliest registration of the Steven Leach mark on 10 March 2011 in Malaysia;
30. Certificate of Registration of the Steven Leach mark on 27 March 2012 in Hong Kong;
31. Management Agreements of SLAHC with different Steven Leach firms; and
32. Notarized Judicial Affidavit of Dr. Joaquin G. Palencia;
33. and Atty. Jewel F. Lobatique.⁶

Thereafter, the preliminary conference was held and terminated. Parties submitted their respective position papers. Hence, this decision.

Should the Respondent-Applicant be allowed to register the trademarks PARTNERS IN CREATIVE SOLUTIONS and PARTNERS IN CREATIVE SOLUTIONS DEVICE or BIMBO THE ELEPHANT LOGO WITH THE TAGLINE PARTNERS IN CREATIVE SOLUTIONS?

This is a consolidation of two (2) opposition cases which involve the same parties, the same set of facts, common questions of facts and law and refers to trademarks which are all assigned to Steven J. Leach Jr. & Associates Consultants, Inc.⁷ In consideration of Respondent-Applicant's Motion to Consolidate Opposition Proceedings and the Opposer's Comment thereto, this Bureau finds merit in consolidating the aforementioned cases in order to expedite the proceedings and avoid conflicting rulings in the determination of the rights and claims of the parties.⁸

It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing out into the market a superior genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁹

Records show that the Opposer has trademark registrations in foreign countries for "Steven Leach" in Malaysia (Registration No. 20122005295 dated 10 March 2011)¹⁰; Taiwan (Registration No. 01516258 dated 19 September 2011)¹¹; Singapore (Registration No. T1113634E dated 03 October 2011)¹²; Hong Kong (Registration 302203488)¹³; Japan (Registration No. 5619137 dated 04 October 2013)¹⁴; and, China (Registration No. 10710068 dated 31 March 2012)¹⁵. The Opposer also has trademark registration for "Bimbo, the Elephant Logo" in Hong Kong (Registration No. 02611 dated 14 April 2000)¹⁶.

⁶ Exhibits "1" to "22" inclusive of submarkings

⁷ Order No. 913 dated 3 June 2016.

⁸ Exhibit "1"

⁹ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).

¹⁰ Exhibit "S"

¹¹ Exhibit "S-1"

¹² Exhibit "S-2"

¹³ Exhibit "S-3"

¹⁴ Exhibit "S-4".

¹⁵ Exhibit "S-5".

¹⁶ Exhibit "O".

On the other hand, the Respondent-Applicant holds pending applications for registration of the subject trademark and other related marks in the Intellectual Property Office Philippines, which were filed on 15 May 2014, or prior to Opposer's date of application for registration of its trademark. Based on Section 123 (d), (i), Opposer's mark cannot be registered.

Sec. 123.1 (d) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

SECTION 123. Registrability. — 123.1. A mark cannot be registered if it:

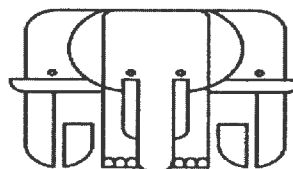
- d. Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:
 - i. The same goods or services, or
 - ii. Closely related goods or services, or
 - iii. If it nearly resembles such a mark as to be likely to deceive or cause confusion;

But do the competing marks, as shown below, resemble each other such that confusion or deception is likely to occur?



Opposer's Trademarks

Partners in Creative Solutions



Partners In Creative Solutions

Respondent-Applicant's Trademarks

Obviously, the contending marks contain the dominant features, consisting of the identical tag line "Partners in Creative Solutions" and the two dimensional representation of a three-elephant logo or the "Elephant Logo". With respect to the goods covered, the competing marks cover identical class 42 of goods, particularly architecture and design of interior decor. It is evident that there is the likelihood of the consumers having the impression that the parties and their respective goods are connected to each other.

Thus, the confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:¹⁷

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Hence, though the goods of the parties are different, the defendant's

¹⁷ Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.

AB

product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff which, in fact does not exist.

The public interest, therefore, requires that the two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.¹⁸

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of the TRIPS Agreement reads:

Section 2: Trademarks
Article 15
Protectable Subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration of trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Member may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Article 16 (1) of the TRIPS Agreement states:

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an

¹⁸ Pribhdas J.Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights prescribed above shall not prejudice any existing prior rights, not shall they affect the possibility of Members making rights available on the basis of use.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademark (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguish the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code states:

Sec. 122. How Marks are Acquired. - The rights in a mark shall be acquired through registration made validly in accordance with the provision of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be validly in accordance with the provision of the law.

Corollarily, Sec. 138 of the IP Code provides:

Sec. 138. Certificates of Registration. - A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. (Emphasis Supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.¹⁹ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property right over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *E.Y. Industrial Sales, Inc. and Engracio Yap v. Shen Dar Electricity Machinery Co. Ltd.*²⁰, the Supreme Court held:

RA 8293 espouses the "first-to-file" rule as stated under Sec. 123.1(d) which states:

x x x

Under this provision, the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and

¹⁹ See Sec. 236, IP Code.

²⁰ G.R. No. 184850, 20 October 2010.

continuous use is necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.

Sec. 134 of the IP Code provides that "any person who believes that he would be damaged by the registration of a mark x x x" may file an opposition to the application. The term "any person" encompasses the true owner of the mark, the prior and continuous user.

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continues use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.

In this instance, the parties recalled the history of the subject marks. Both accounts acknowledge that the mark STEVEN LEACH and the Elephant Logo originated from Steven Leach Jr., who started his business of interior design consultancy in Hong Kong (1972) and in Singapore (1974). In 1976, Steven Leach opened an office in the Philippines.²¹ He then formalized his partnership with Benjamin Hughes and later, with Christopher Michael Devitt, as directors and stockholders of Steven Leach firms. The design service was named Steven J. Leach Jr. & Associates Consultant & Inc. and later changed to Steven J. Leach + Associates (Consultants, Incorporated)²². The business likewise adopted the "Elephant Logo" in the business because of the great fascination for elephants. It was further detailed by both parties that the offices in Hong Kong, Singapore and Philippines used and continued to use the mark and the elephant logo, including the tag line "Partners in Creative Solutions".

In the Philippines, the evidence presented by the parties establish that Respondent-Applicant is the owner of the subject marks containing the mark "PARTNERS IN CREATIVE SOLUTIONS" and the "Elephant Logo" with the tag line "PARTNERS IN CREATIVE SOLUTIONS". Respondent-Applicant proved by substantial evidence that it is the creator, prior user and adopter of the subject marks and in fact, has actual and continues commercial use of the same. It submitted evidence relating to the origin and history of the "STEVEN LEACH" and the "Elephant Logo" trademarks, including its use in commerce long before the Opposer was able to register the same in other countries.²³ A copy of Securities and Exchange Commission ("SEC") Reg. 65670 dated 28 January 1976 shows the incorporation of Steven Leach Manila²⁴. In fact, when Respondent-Applicant Benjamin Hughes agreed to be a partner in Steven Leach Manila, he acquired half of Steven Leach's shares in Steven Leach Manila²⁵. The 1980 SEC General Information Sheet shows that Messrs. Leach and Hughes had equal 1,500 number of shares.²⁶ In 1980, records show that Mr. Hughes replaced Leach as president of Steven Leach Manila²⁷. It is noteworthy, that Chris Devitt was not part of Steven Leach Manila, either as a manager or shareholder. The General Information Sheets submitted to the SEC on May 8, 2011²⁸ show Mr. Hughes' continuous presence in Steven Leach Manila. As such, Steven Leach Manila was never part of the Steven

²¹ Exhibit "D"

²² Exhibit "10"

²³ Exhibit "4"

²⁴ Exhibits "3", "4" and "6" and sub-markings

²⁵ Exhibit "8"

²⁶ Exhibit "9"

²⁷ Exhibit "9", "9-A" and "10"

²⁸ Exhibit "18"

Leach Partnership²⁹. After Mr. Leach's demise on 24 December 1996, evidence show that Respondent-Applicant, Benjamin Hughes II and Chris Devitt remained the only "continuing partners" in Steven Leach Hong Kong³⁰, Taiwan³¹ and Malaysia³². Respondent-Applicant likewise submitted evidence of actual use of the mark and the "Elephant Logo" or "Three-Elephant Logo", which he co-created with Mr. Leach. As Respondent-Applicant asserts, Mr. Hughes, also a fan of elephants, as seen from his collection displayed at the Steven Leach office³³, suggested the three elephant logo, to represent the Hong Kong, Singapore and Manila office. Respondent-Applicant's continuous use, ever since Steven Leach Manila was incorporated in 1976, is proven by the submission of its notable works under the Steven Leach name, some of which are the interior design of a hotel and residence³⁴.

In contrast, the Opposer admitted relevant facts which actually reinforced Respondent-Applicant's ownership over the subject mark. The Opposition stated that the subject mark and the elephant logo are used since the incorporation of Respondent company in 1976 up to the present, to represent all the offices located in Hong Kong, Singapore and the Philippines³⁵. This occurred long before the Opposer SLAHC came into existence when it was incorporated in the British Virgin Islands on 17 March 1998.³⁶ Moreover, the Management Contracts executed by the SLA Group of companies and the SLAHC³⁷ provides that SLAHC is a company which provides professional, technical and consulting skills and expertise including the use of the intellectual property. Clearly, from a perusal of the Management Agreements, the relationship is that of Opposer being a mere service provider, acting upon instructions and approval of the Respondent company, being the client. SLAHC is not engaged in the business of interior design consultancy. In fact, the allegation that SLAHC was incorporated as a continuation of the Steven Leach Partnership³⁸ is not supported by any evidence. The record in fact shows, Opposer is a mere holding company where Chris Devitt, Ben Hughes and David Pipkin each subscribed to 1000 shares out of SLAHC's authorized capital of USD 50,000.00 at USD 1.00 per share only through their respective companies, Mystic Seas Investments, Inc. which David Pipkin owned ('Mystic Seas-Pipkin'); Fairtown Investments Group Limited owned by Benjamin Hughes ('Fairtown-Hughes'); and Mighty Dragon Holdings Limited owned by Chris Devitt ('Might Dragon-Devitt').

The creation of websites and execution of Memorandum of Agreement is not sufficient to prove the continuance of the partnership and ownership of assets including intellectual property rights. The agreements show that Opposer, as service provider merely provide marketing, communication, accounting, internet and administrative support services. Similarly, the establishment of the logo and applications from SLAHC's direction in 1994 do not show proof of ownership as it was merely an act of redesigning the logo which actually has been independently existing since 1976.

Therefore, it is the Respondent-Applicant which proved by substantial evidence it's superior right over the subject marks long before Opposer's application and registration of the same. The Respondent-Applicant has never abandoned the use of the marks as shown by its continuous and actual use on its business.

²⁹ Exhibits "13-A" to "14-B"

³⁰ Exhibit "13-A"

³¹ Exhibit "13-B"; "15-A"

³² Exhibit "14-A"; "14-B"

³³ Exhibits "6"

³⁴ Exhibits "11-A" to "11-E" ; "12-A" to "12-D"

³⁵ par. 2.6, p. 4 of Opposition.

³⁶ Exhibits "B"

³⁷ Exhibits "N", "N-1" to "N-4"


³⁸ par. 2.16, p. 8 of Verified Opposition.

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs, individuals and entities who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the opposition cases are hereby **DISMISSED**. Let the filewrappers of Trademark Application Serial Nos. 4-2014-502106 and 4-2014-502104 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City. **15 MAR 2017**


Atty. ADORACION U. ZARE, LL.M.
Adjudication Officer, Bureau of Legal Affairs