

JONES INVESTMENT CO., INC.	}	INTER PARTES CASE NO. 14-2004-
	}	00132
<i>Opposer,</i>	}	Opposition to:
	}	
-versus-	}	Appln. Serial No. : 4-2002-001471
	}	Date Filed : February 19, 2002
	}	Trademark : "LEI"
	}	
RAMON ONG,	}	
<i>Respondent-Applicant,</i>	}	Decision No. 2006-74
x-----x		

DECISION

This is an Opposition to the registration of the mark "LEI" bearing Serial No. 4-2002-001471 filed on February 19, 2002, by Ramon Ong, appearing in Vol. VII, No. 2 of the Intellectual Property Office Gazette which was officially released for circulation on 7 June 2004 which mark is being used on t-shirts, polo, polo shirts, pants, slacks, jeans, socks, briefs, panties and others falling under Class 25 of the International Classification of goods.

The herein Opposer, *JONES INVESTMENT COMPANY, INC.*, is a corporation organized under the laws of the State of Delaware, having a principal place of business at 200 West Ninth Street Plaza, Suite 700, Wilmington, Delaware 19801, U.S.A.

The grounds for the opposition are as follows:

- "1. The registration of the mark subject of this opposition is contrary to the provisions of Section 123.1 (d), (e) and (f) of Republic Act No. 8293, as amended, which prohibits the registration of a mark which:

"(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it likely resembles such a mark as to be likely to deceive or cause confusion;

(e) Is identical with, or confusingly similar to, or constitute a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services.

x x x

(f) Is identical with, confusingly similar to, or constitute a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, that use of the

mark in relation to those goods or services would indicate a connection between those goods or service, and the owner of the registered mark: Provided further, that the interest of the owner of the registered mark are likely to be damaged by such use.”

- “2. The Opposer is the owner of the mark “L.E.I.”. The mark “L.E.I.” has been applied for registration in the Opposer’s name with the Intellectual Property Office. The following are the application particulars of the Opposer’s “L.E.I.” mark in the Philippines:

Mark	Serial No.	Date of Application	Classification of Goods/Services
L.E.I.	4-2002-008544	4 October 2002	Class 25
L.E.I. LIFE ENERGY INTELLIGENCE	4-2002-008545	4 October 2002	Class 25

The mark “L.E.I.” was applied for registration with the Intellectual Property Office by R.S.V. Sports, Inc., with business address at 6565 East Washington Boulevard, Commerce, California 90040, U.S.A. The mark “L.E.I.” was subsequently assigned to the Opposer effective 1 January 2003, which assignment has been duly annotated with the Intellectual Property Office on 28 March 2003.

- “3. R.S.V. Sports Inc., previously applied for registration the “L.E.I.” mark with the Intellectual Property Office under the following particulars:

Mark	Serial No.	Date of Application	Classification of Goods/Services
L.E.I.	4-1999-006472	31 August 1999	Class 25
l.e.i.	4-2002-008545	31 August 1999	Class 25

These applications did not proceed to registration although the applicant had no intention to abandon the right to the mark.

- “4. The word “LEI” forming part of the Respondent-Applicant’s mark is identical to the Opposer’s “L.E.I.” mark. The use of the word “LEI” in the Respondent-Applicant’s mark nearly resembles the Opposer’s “L.E.I.” mark as to be likely to deceive or cause confusion. Hence, the registration of the Respondent-Applicant’s mark will be contrary to the provisions of Sections 123.1 (d) of Republic Act No. 8293.

- “5. Opposer is entitled to the benefits granted to foreign nationals under Section 3 of the Republic Act No. 8293, which provides:

“Section 3. *International Conventions and Reciprocity.* – Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any e=convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to national of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.”

The Opposer is domiciled in the States of Delaware, U.S.A. Both Philippines and U.S.A. are members of the Paris Convention for the Protection of Industrial Property. The Paris Convention provides that:

“Article 6bis

(1) The countries of the Union undertake, ex-officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation considered by competent authority of the country of registration or use to be well known in that country as being the mark of a person entitled to the benefits of this Convention and used for identical or similar goods x x x.

“Article 10bis

(1) The countries of the Union are bound to assure nationals of such countries effective protection against unfair competition.”

- “6. The Opposer’s “L.E.I.” mark is well-known and world famous mark. hence, the registration of the Respondent-Applicant’s mark will constitute a violation of Article 6bis and 10bis of the Paris Convention in conjunction with Section 3, 123.1 (e) and 123.1 (f) of Republic Act No. 8293.
- “7. The use by the Respondent-Applicant of the word “LEI” in its mark on goods that are similar, identical or closely related to goods that are produced by, originated from, or are under the sponsorship of the Opposer will mislead the purchasing public into believing that such goods are

produced by, originated from, or are under the sponsorship of the Opposer.

- “8. The denial of the application subject of this opposition is authorized under the provisions of Republic Act No. 8293.

The Opposer relied on the following facts to support its opposition:

- “1. The Opposer is the owner of the “L.E.I.” mark, which has been applied for registration in the name of the Opposer with the Intellectual Property Office.
- “2. The “L.E.I.” mark has been registered and applied for registration by the Opposer in nearly all countries that have trademark registers, including the Philippines.
- “3. THE Opposer has been commercially using the “L.E.I.” mark internationally prior to the filing of the application subject of this opposition.
- 3.1 The Opposer’s well-known use of the “L.E.I.” mark in commerce, in connection with various goods, began at least as early as November 1989 and has been continuous, famous and uninterrupted ever since then.
- 3.2 The Opposer designs, manufactures and markets in interstate commerce in its homeland of the U.S., as well as in world-wide commerce, a wide variety of apparel and footwear and has done so over a period of fifteen (15) years.
- 3.3 Currently, all of the Opposer’s products, labels, packaging, advertising, promotional materials and its website (at www.lifeenergyintelligence.com as well as related national and regional websites targeting specific local markets) include “L.E.I.” mark.
- “4. By reason of appearance, the word “L.E.I.” sought to be registered in the Respondent-Applicant’s name is confusingly similar to the Opposer’s “L.E.I.” mark.
- “5. The Opposer has not abandoned its “L.E.I.” mark.
- “6. The Opposer continues to use the “L.E.I.” mark in trade and commerce internationally.
- “7. By virtue of the prior and continued use by the Opposer of the “L.E.I.” mark internationally, the mark has become popular and internationally well-known and have established for the Opposer valuable goodwill with the public which has identified the Opposer as the source of goods and services bearing the said mark.
- “8. The Opposer has also extensively promoted the “L.E.I.” mark internationally.

- 8.1 Over the years, the Opposer has obtained significant exposure for its goods, upon which the "L.E.I." mark is used, in various media including, television commercials, outdoor and advertisements, internationally well-known print and publications with diverse content and conferences and other promotional events. The Opposer also maintains an internet site at the domain name www.lifeenergyintelligence.com .

On October 22, 2004, Respondent-Applicant through counsel filed his Answer denying all the material allegations in the Notice of Opposition and further alleged the following as his affirmative defenses:

- "1. The mark "LEI" cannot be considered as an internationally known mark in favor of the Opposer.
- "2. The owner of the mark "LEI" in the Philippines is the Respondent-Applicant being the first entity to have filed an "active" application for registration of the said mark in this country.

After the issues have been joined, a notice of pre-trial conference had been issued by this Honorable Office.

Records show that the pre-trial conference has been reset several times upon agreement of the parties as they are under the process of negotiation for the possibility of settling the case amicably which is one of the ultimate objective of the pre-trial conference.

From November 2004 up to September 2005, for a period of ten (10) months, the parties have not submitted any compromise agreement relating to the mark "LEI".

Considering the fact that the case mandatorily covered by the Summary Rules on Inter Partes Proceedings (Office Order No. 79, Series of 2005), this Office issued on October 2005 a Notice to Comply with Office Order No. 79, which both parties received.

Opposer on November 14, 2005, filed a Motion for extension of Time to submit all its evidence in support of the opposition which was GRANTED (Order No. 2005-1035 dated 22 November 2005).

On December 6, 2005, Respondent-Applicant filed his compliance to the Notice to Comply with Office Order No. 79 dated 05 October 2005 submitting the following:

Exhibit – "1" – Affidavit of Mr. Ramon Ong.

Exhibit – "2" – Declaration of Actual Use filed on February 16, 2005 for the trademark "LEI".

Exhibit – "3" – Label of "LEI"

On February 13, 2006, Opposer through counsel filed a Motion to Admit the evidence in support of its opposition which was granted by this Bureau under Order No. 2006-459 dated March 21, 2006. This case was thereafter set for preliminary conference on April 17, 2006 at 2:00 pm.

On May 17, 2006, only counsel for the Respondent-Applicant appeared and no appearance from the Opposer. Due to non-appearance of Opposer, Order No. 2006-738 dated 22 May 2006 was issued directing the Respondent-Applicant to submit his position paper after which this case is considered submitted for decision.

The only issue to be resolved in the instant opposition is:

WHETHER OR NOT THE RESPONDENT-APPLICANT IS
ENTITLED FOR THE REGISTRATION OF THE MARK "LEI".

The applicable provisions of law is Sec. 123 (d) of Republic Act No. 8293, which provides:

"Section 123. *Registrability* – 123.1 A mark cannot be registered if it:

(d) Is identical with 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 mark as to be likely to deceive or cause confusion;

The herein Opposer filed to substantiate its claim over the mark "LEI" as no proof of use has been submitted. Exhibits "C", "C-1", "C-2", "C-3", "C-4", "C-5", "C-6", "C-7", "C-8" and "C-9" were all mere photocopies and its source is not known.

On the other hand, Respondent-Applicant's trademark application bearing Serial No. 4-2004-01471 for the mark "LEI" was filed on February 19, 2002. The applicant "RAMON ONG" testified that he is using the mark "LEI" in the market and in fact submitted the required Declaration of Actual Use (DAU). (Exhibit "1")

The "Declaration of Actual Use (DAU)" has been filed by the applicant on February 6, 2005 that his outlets are "L.A. Urban Boutique" with address at Landmark, Makati City, Market-Market, Global City, Filinvest, Alabang, Muntinlupa City. (Exhibit "2")

As observed, the trademark application subject of the instant opposition has been through examined by the Trademark Examiner of the Bureau of Trademarks before it was recommended for allowance and publication for purpose of opposition. It appears that the records of the Intellectual Property Office (IPO) does not have a trademark application filed for the mark "Lei" earlier that the herein applicant, otherwise the application should have been rejected as confusing similarity exists. (Sec. 123 (d) of Republic Act No. 8293).

Upon further research conducted on the records however, the Bureau found that the allegations of the Opposer that the marks "L.E.I." and "l.e.i." were previously applied for registration bearing Serial No. 4-1999-006472 on August 31, 1999 and bearing Serial No. 4-1999-006473 on August 31, 1999 covering the goods under Class 25 by R.S.V. Sports, Inc. are true, but these applications did not proceed to registration as they were both abandoned in publication on May 16, 2004.

The records of the Intellectual Property Office (IPO), show that the mark "L.E.I." and "l.e.i." bearing Serial No. 4-2002-008544 on October 4, 2002 and Serial No. 4-2002-008584 were filed on October 4, 2002 by R.S.V. Sports, Inc.

However, it appears that the two trademark applications of Opposer above-mentioned were *filed later than* the trademark application bearing Serial No. 4-2002-01471 for the mark "LEI" subject of the instant opposition which was filed on *February 19, 2002*.

Such being the situation, an application *filed later* cannot be considered a bar to the registration of a trademark application filed earlier/or ahead.

Likewise, Opposer's allegation that its mark "L.E.I." is well-known internationally could not be taken into consideration. The trademark "L.E.I." is not one of those marks considered as Internationally known as listed in the Memorandum of Minister of Trade Luis R. Villafuerte and November 20, 1980. Moreover, Opposer failed to show proof that its trademark "L.E.I." is actually being used in commerce in the Philippines.

Rules 204 of the Rules and Regulations on trademarks, service marks, trade names and marked or stamped containers provides:

"Rule 204. *Declaration of Actual Use (DAU)*. – The office will not require any proof of use in commerce *in the processing of trademark applications*. However, without need of any notice from the Office, all applicants or registrants shall file a declaration of actual use of the mark with evidence to that effect within three (3) years, without possibility of extension from the filing date of the application. Otherwise, the application shall be refused or the mark shall be removed from the register by the Director *motu proprio*."

Respondent-Applicant claims that he is the owner of the contested mark, being the first to exclusively and lawfully appropriate and use the same in commerce in the Philippines, the first to file the application for the trademark registration, the person/entity that has genuinely established in the local market the reputation, goodwill and wide public recognition for the contested mark.

Opposer cannot claim protection in the Philippines based on its foreign registrations. The law on trademarks rests upon the doctrine of nationality or territoriality. The scope of protection is determined by the law of the country in which protection is sought and international agreements for the protection of Intellectual Property are predicated upon the same principle. The use required as the foundation of the trademark rights refers to local use and not abandoned. (2 Callman, Unfair Competition and Trademarks, par. 764, p1006).

In the case of *Sterling Products International Inc., vs. Farbenfabriken A.G.*, 44 SCRA 1226, the court said:

"x x x The United States is not the Philippines. Registration in the United States is not registration in the Philippines. x x x Plaintiff itself concedes that the principle of territoriality of trademark law has been recognized in the Philippines. Accordingly, the registration of the trademark "BAYER" in the United States would not itself afford plaintiff protection for use by the defendant in the Philippines of the same trademark for the same or different goods."

Moreover, the claim of the Opposer that its mark is internationally well-known has no legal basis. First, as previously stated, Opposer's trademark "L.E.I." is not one of those well-known marks enumerated in *Memorandum No. 20* dated *20 November 1980* of the then Minister of Trade, Honorable Luis R. Villafuerte nor did Opposer submit any evidence to substantiate its claim that the mark is known internationally and in the Philippines. Thus, it cannot invoke the case of *La Chemise Lacoste, S.A. vs. Fernandez*, 129 SCRA 375 which involved the right to use

“LACOSTE”, which was one of the mentioned well-known marks in said Memorandum. Besides, La Chemise Lacoste has actually used the mark “LACOSTE” in the Philippines. The herein Opposer failed to substantiate any proof of evidence that it is actually using the mark in the Philippines, neither can it invoke Article 6bis of the Paris Convention which provides:

“(1) The countries of the Union undertake, either administratively if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration and to prohibit the use of a trademark which constitutes a reproduction, imitation or translation, liable to create confusion of a mark *considered by the competent authority of the country of registration or use* to be well-known in that country as being already the mark of a person entitled to the benefits of the present convention and used for identical or similar goods.”

Pursuant to Intellectual Property Code of the Philippines (Republic Act No. 8293), a determination by a competent authority of the fact that a mark is well-known internationally and in the Philippines can be done by the Director of the Bureau of Legal Affairs or the Director General of the Intellectual Property Office (IPO), as the case may be through their adjudicatory powers.

WITH ALL THE FOREGOING, the Opposition is, as it is hereby DENIED. Consequently, trademark application bearing Serial No. 4-2002-01471 for the registration of the mark “LEI” filed on February 19, 2002 by Ramon Ong is hereby GIVEN DUE COURSE.

Let the filewrapper of “LEI” subject matter of this case be forwarded to the Bureau of Trademarks for appropriate action in accordance with this DECISION.

SO ORDERED.

Makati City, 31 July 2006.

ESTRELLITA BELTRAN ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office