

SL & A INTERNATIONAL HOLDINGS, INC.,
Opposer,

-versus-

**STEVEN J. LEACH, JR. & ASSOCIATES
CONSULTANTS, INC.,**
Respondent-Applicant.

X-----X

IPC No. 14-2015-00037

Opposition to:
Appln. Serial No. 4-2014-502105
Date Filed: 15 May 2014

TM: STEVEN LEACH

SL & A INTERNATIONAL HOLDINGS, INC.,
Opposer,

-versus-

BENJAMIN E. HUGHES II,
Respondent-Applicant.

X-----X

IPC No. 14-2015-00039

Opposition to:
Appln. Serial No. 4-2014-502107
Date Filed: 15 May 2014

TM: STEVEN LEACH

SL & A INTERNATIONAL HOLDINGS, INC.,
Opposer,

-versus-

BENJAMIN E. HUGHES II,
Respondent-Applicant.

X-----X

IPC No. 14-2015-00040

Opposition to:
Appln. Serial No. 4-2014-502108
Date Filed: 15 May 2014

TM: THE STEVEN LEACH GROUP

SL & A INTERNATIONAL HOLDINGS, INC.,
Opposer,

-versus-

BENJAMIN E. HUGHES II,
Respondent-Applicant.

X-----X

IPC No. 14-2014-00511

Opposition to:
Appln. Serial No. 4-2014-502109
Date Filed: 15 May 2014

TM: STEVEN LEACH LOGO

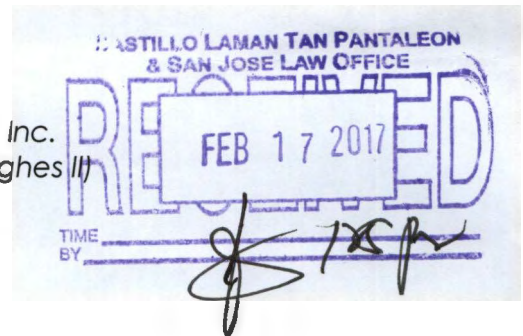
NOTICE OF DECISION

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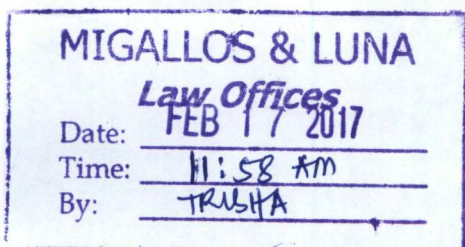


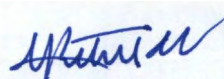
GREETINGS:

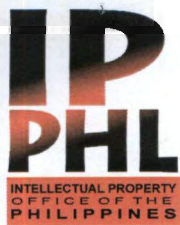
Please be informed that Decision No. 2017 - 39 dated 15 February 2017 (copy enclosed) was promulgated in the above entitled case.

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, 16 February 2017.




MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



**SL & A INTERNATIONAL
HOLDINGS, INC.,**
Opposer

- versus -

**STEVEN J. LEACH, JR. &
ASSOCIATES CONSULTANTS, INC.,**
Respondent-Applicant.

X ----- X

**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

**SL & A INTERNATIONAL
HOLDINGS, INC.,**
Opposer

- versus -

BENJAMIN E. HUGHES II,
Respondent-Applicant.

X ----- X

IPC No. 14-2015-00037

Opposition to:

Appln. No. 4-2014-502105

Date Filed: 15 May 2014

Trademark: "**STEVEN LEACH**"

IPC No. 14-2015-00039

Opposition to:

Appln. No. 4-2014-502107

Date Filed: 15 May 2014

Trademark: "**STEVEN LEACH**"

IPC No. 14-2015-00040

Opposition to:

Appln. No. 4-2014-502108

Date Filed: 15 May 2014

Trademark: "**THE STEVEN LEACH
GROUP**"

IPC No. 14-2014-00511

Opposition to:

Appln. No. 4-2014-502109

Date Filed: 15 May 2014

Trademark: "**STEVEN LEACH
LOGO**"

Decision 2017-39

DECISION

SL & A INTERNATIONAL HOLDINGS, INC. or SLAHC for brevity ("Opposer")¹, filed opposition cases to the following: Trademark Application Serial Nos. 4-2014-502105, 4-2014-502107, 4-2014-502108, and 4-2014-502109. The applications, which are filed by BENJAMIN HUGHES II², and STEVEN J. LEACH, JR. & ASSOCIATES CONSULTANTS, INC.³ ("Respondents-Applicants"), covers the marks "STEVEN LEACH", "STEVENLEACH", "THE STEVEN LEACH GROUP", and "STEVEN LEACH LOGO" (two dimensional representation of three elephants) 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. & Associate Consultant, Inc., which later changed its name to Steven J. Leach, Jr. + Associates (Consultants Incorporated) ("SLA"). 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" (the elephant logo) to represent Steven Leach offices in Hong Kong, Singapore and Philippines, out of Steven's fascination with elephants since childhood and inspiration from 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.

Sometime in the early 1980s, he invited Christopher Michael Devitt and Benjamin Edward Hughes 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, and developed the tag line "Partners in Creative Solutions".

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 registered 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.

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.

According to the Opposer, 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. It was Ben Hughes who eventually acquired Steven's full interest in Respondent Company and part of Steven's interest in Steven Leach Bangkok, and KL.

Meanwhile, SLAHC, as a continuation of the Steven Leach Partnership, was incorporated on 17 March 1998 in the British Virgin Islands. In 2000, SLAHC registered Bimbo, the Elephant Logo before the Trade Marks Registry, Intellectual Property Department in Hong Kong On 14 April 2000 under Class 42. 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.

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. 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 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 and the Respondent Company, which are already registered under SLAHC in other countries. 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.

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) that it is the true and rightful owner of an exactly the same Steven Leach trademark covered by the application, thus, will be damaged by the registration thereof in favor of the applicant; (2) Respondent-Applicant knew and has acknowledged that the Steven Leach trademarks, covered by the Respondent Company's Application are owned by SLAHC; and, (3) SLAHC has the exclusive right to prevent all third parties

from using in the course of trade identical or similar signs, and to prevent the registration of the infringing mark of Respondent Company. Thus, If allowed registration, Respondent-Applicant may and will use the mark 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. by the Territory of the British Virgin Islands;
3. Amendments to the Memorandum and Articles of Incorporation;
4. Companies Registry Electronic Search Services under the company name Steven J. Leach Jr. & Associates Limited;
5. Memorandum and Articles of Association of Steven Leach Associates [Private] Limited;
6. Certified true copy of the Amended Articles of Incorporation of S.J. Leach, Jr. & Associates (Consultants) Incorporated (Sec. Reg. No. 65670);
7. Image of Bimbo the Elephant Logo as conceptualized and designed by Steven;
8. Company Affidavit certifying that S.J. Leach, Jr. & Associates was registered as company limited;
9. Memorandum & Articles of Association of SL & A Bdn. Bhd. (The Companies Act, 1965 Malaysia);
10. Certificate of Entire History (Trade Name: SL & A International Inc.);
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 that Graphic Standards Manual which clearly show the establishment of the Logo and applications with printing issue date of 17 April 2000;
13. Copy of fax transmission of a name and card layout to one of the SL+A Offices with transmission date of 20 April 2000;
14. 2007 and 2013 Management Agreements with Respondent Company executed by Ben Hughes;
15. 2010 Addendum to the Management Agreement with Steven Leach Japan with the head of the said office;
16. 2013 Management Agreement executed by Martin Axe, Head of the KL office;
17. 2005 Management Agreement with Steven Leach Singapore executed by Chris Devitt;
18. Certified true copy of the Certificate of Registration of Bimbo the Elephant Logo;
19. Printouts of SLAHC's corporate website;
20. 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;
21. Registration Certificates for the Steven Leach trademark in Malaysia, Taiwan, Singapore, Hong Kong, Japan and China;
22. Establishment of additional SLA Group companies in South Korea, the Steven Leach + Associates, Seoul in 2006 and in Bucharest, Romania, the SL+A International SRL;
23. Agreement dated 14 March 2007; and,
24. Shareholders Agreement on the Minutes of the Shareholders and Board of Directors of SL & A International Holdings, Inc. (August 23, 2013).

On 02 June 2015, Respondent-Applicant filed its 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 recounted, Steven Leach, an American architect and interior designer; and Benjamin Hughes, a well-known interior design consultant and a freelance designer, met in Manila in the early 1970s. On 28 January 1976, Steven J. Leach, Jr. & Associate Consultants, Inc. was incorporated in the Philippines with Leach as one of the incorporators. Asian interior design offices in Hong Kong (1972), and in Singapore (1974) were already established when he asked Hughes to join Steven Leach Manila. In 1976, the partnership was formalized when Hughes joined as one of its directors and stockholders. They shared a fascination for elephants. Leach designed a logo depicting a frontal view of a single elephant which he likened to "Bimbo", the baby elephant in the adventure series "Circus Boy". 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.

With the entry of Mr. Christopher Michael Devitt, a British interior designer, the Steven Leach Partnership grew and more firms with the three-elephant logo became well-known and closely associated with the all Steven Leach firms. The partnership developed the Steven Leach brand and the famous trademarks used such as Steven Leach and Partners in Creative Solutions with the three elephant logo, SL+A, Partners in Creative Solutions in combination with the three elephant logo, The Steven Leach Group, and SL+A in combination with the three-elephant logo. They also came up with the tagline "Partners in Creative Solutions".

The Respondent-Applicant avers that SLAHC is not the owner of the subject mark, the Steven Leach Logo, other Steven Leach marks and derivatives, including company names, and the tagline "Partners in Creative Solutions". Thus, SLAHC will not be damaged by the registration of the subject mark. Accordingly, Leach and Hughes co-created and co-owned the three-elephant logo which Steven Leach Manila and the then existing Steven Leach firms started to use in 1976. In the 1990s, Leach, Hughes and Devitt came up with the tagline "Partners in Creative Solutions" to signify their successful partnership in the interior design and interior design consultancy businesses; To represent the partnership, it developed the Steven Leach brand and the famous trademarks used by the Steven Leach firms. Ahead of the other then existing Steven Leach firms, 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. At the time that the subject mark was created, long before SLAHC was incorporated, Leach, Hughes and Devitt comprised the Steven Leach Partnership and developed the Steven Leach Group.

SLAHC is not the creator nor the owner of the tagline, which is a component of the subject mark. In fact, SLAHC admits that the SLA Group of companies further developed the tagline "Partners in Creative Solutions" to be used by the said SLA Group of Companies. Thus, neither SLAHC nor the SLA Group companies, which does not have a legal personality, own the Steven Leach marks. It is merely a convenient name by which the Steven Leach firms may be collectively referred to. In fact, Steven Leach firms and the SLA Group of Companies are one and the same. In fact, the Opposer admitted that the Steven Leach Partnership decided to standardize the use of the Steven Leach name or mark ... by all of the SLA Group companies. The partnership of Leach, Hughes and Devitt developed the Steven Leach brand and the famous trademarks used by the Steven Leach firms such as the subject mark Steven Leach and Partners in Creative Solutions with the three-elephant logo, three elephant logo, SL+A, Partners in Creative Solutions, Partners in Creative Solutions in combination with the three-elephant logo, Steven Leach, StevenLeach, Steven Leach in combination with the three-elephant logo, The Steven Leach Group, and SL+A in combination with the three-elephant logo. It should be noted that, except for Steven Leach offices in Manila, Hong Kong and Singapore, the foregoing marks were already in place when additional Steven Leach firms forming the SLA Group were created by the Steven Leach Partnership.

The allegation that Steven Leach Manila has been operating under SLAHC and that it acquired knowledge of the mark and the exact design thereof from SLAHC is untrue because (a) Steven Leach Manila does not operate under SLAHC, SLAHC has no interests in Steven Leach Manila and neither does Steven Leach Manila have any interests in SLAHC; (b) SLAHC is not a continuation of the Steven Leach Partnership; and (c) the subject mark is owned by the partnership of Leach, Hughes and Devitt, not SLAHC.

The creation of the website www.sla-group.com in 1998 is part of its obligation to the Steven Leach firms under its respective Management Agreement with SLAHC. The website belongs to the Steven Leach Group and not to SLAHC which is not part of the SLA Group Companies. SLAHC received management fees by the Steven Leach firms for the former's management services in the promotion of the Steven Leach brand and marks. As to the commissioned work of a certain Sedgwick Richardson, it merely consisted of redesigning the corporate identity of SLAHC, and not the subject mark, the tagline "Partners in Creative Solutions", the Steven Leach Logo, and all Steven Leach marks.

SLAHC also admitted that Leach transferred his full interest over Steven Leach Manila to Hughes, including the ownership over the subject mark, the STEVEN LEACH LOGO, tagline and brand. SLAHC's claim of ownership of the subject mark is founded, not on the basis of creation or use, but only because it had allegedly registered the mark in Malaysia, Taiwan, Singapore, Hong Kong, Japan and China. There is no evidence that the subject mark or the tagline was created by the Opposer or somebody else. There is also no evidence that an assignment was made in favor of SLAHC. SLAHC in bad faith and is not the owner thereof, when it had the mark registered in Hong Kong, Malaysia, Taiwan and Singapore in 2011; China in 2012; and Japan in 2013, all more than 10 years after the creation of the subject mark by Leach, Hughes and Devitt, without the consent of Hughes as the sole owner of the subject mark, the three-elephant logo and the tagline "Partners in Creative Solutions" in 2011. In this year when the Steven Leach mark was registered in Malaysia, Steven Leach Manila or Hughes has been using the mark in the Philippines. Thus, It has been identified with the business of Steven Leach Manila.

More importantly, SLAHC was incorporated only in 1998, more than a year after Leach's demise, for the sole purpose of providing services to the Steven Leach firms, and not to continue the Steven Leach Partnership nor to form part of the Steven Leach Group. The ownership over the logo, tagline or subject mark was not transferred to SLAHC. SLAHC is not the Steven Leach Partnership and was never the continuation of the Steven Leach Partnership. Even after the demise of Leach, Devitt and Hughes continued with their business as continuing partners under the partnership agreement of 1982. The Steven Leach Partnership was not dissolved when Leach died. Hughes and Devitt continued on with the partnership, with both either singly or jointly acquiring Leach's interests in the Steven Leach firms.

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 1997 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 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. Indemnification Agreement dated 05 February 1998;
21. Indemnification Agreement dated 17 March 1998;
22. Copy of the letters of intent to exercise of Hughes and Devitt to acquire remaining shares of Leach;
23. Copy of 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. (Proof of) use of the Steven Leachmark in the Philippines;
32. Provisions in the 2007 and 2013 Agreement;
33. The registration of the mark containing the three-elephant logo and the tagline "Partners in Creative Solutions" continuously use since ITS inception;
34. Management Agreements of SLAHC with different Steven Leach firms;
35. Notarized Judicial Affidavit of Dr. Joaquin G. Palencia, and Atty. Jewel F. Lobatique.

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 STEVEN LEACH, THE STEVEN LEACH GROUP and STEVEN LEACH LOGO?

This is a consolidation of four (4) opposition cases which involve the same parties⁵, 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.⁶ 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.⁷

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.⁸

Records show that the Opposer has trademark registrations in foreign countries for "Steven Leach" in Malaysia (Registration No. 20122005295 dated 10 March 2011)⁹; Taiwan (Registration No. 01516258 dated 19 September 2011)¹⁰; Singapore (Registration No. T1113634E dated 03 October 2011)¹¹; Hong Kong (Registration 302203488)¹²; Japan (Registration No. 5619137 dated 04 October 2013)¹³; and, China (Registration No. 10710068 dated 31 March 2012)¹⁴. The Opposer also has trademark registration for "Bimbo, the Elephant Logo" in Hong Kong (Registration No. 02611 dated 14 April 2000)¹⁵. In the Philippines, the Opposer applied for trademark registration for "Steven Leach" on 31 July 2014 which is pending status, to date.¹⁶

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 was filed on 15 May 2014, or prior to Opposer's date of application for registration of its trademark.

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

⁵ Assignment of Mark between Benjamin E. Hughes II, Assignor, and Steven J. Leach, Jr. & Associates Consultants, Inc., Assignee, dated 28 July 2014 and duly notarized by Atty. Virgilio R. Batalla, Notary Public for Makati.

⁶ Id.

⁷ Order No. 2016-557 dated 01 April 2016.

⁸ *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).

⁹ Exhibit "S" of Opposer

¹⁰ Exhibit "S-1" of Opposer.

¹¹ Exhibit "S-2" of Opposer.

¹² Exhibit "S-3" of Opposer.

¹³ Exhibit "S-4" of Opposer.

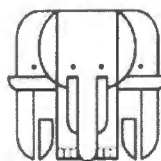
¹⁴ Exhibit "S-5" of Opposer.

¹⁵ Exhibit "O" of Opposer.

¹⁶ Philippine Trademark Database, available at <http://www.wipo.int/branddb/ph/en/> (last accessed 25 January 2017).

iii. If it nearly resembles such a mark as to be likely to deceive or cause confusion;
(Emphasis supplied)

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

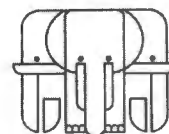


Opposer's Trademarks



The Steven Leach Group

StevenLeach



Respondent-Applicant's Trademarks

Obviously, the contending marks contain the dominant features, consisting of the identical word mark "Steven Leach" and the two dimensional representation of an elephant 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 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

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

just

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 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)

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

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 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.*

¹⁹ See Sec. 236, IP Code.

²⁰ G.R. No. 184850, 20 October 2010.

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 respectively recounted similarity in the narration of the history of the subject mark. As stated, 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. He then formalized his partnership with Benjamin Hughes and later, with Christopher Michael Devitt, as directors and stockholders of Steven Leach Manila. The design service was named Steven J. Leach Jr. & Associates Consultant & Inc. and later changed to Steven J. Leach + Associates (Consultants, Incorporated)²¹. 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".

The perusal of the alleged facts and the pieces of evidence presented by parties show that Respondent-Applicant was able to establish that it is the owner of the subject marks containing the word "STEVEN LEACH" and the "Elephant Logo". Respondent-Applicant proved by substantial evidence that it is the 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" trademarks²², including its use in commerce long before the Opposer was able to register the same in other countries. In fact, Respondent-Applicant Benjamin Hughes presented his acquisition of half of Steven Leach's shares in Steven Leach Manila²³; and the formation of the Steven Leach Partnership with Leach and Devitt²⁴. Respondent-Applicant likewise submitted evidence of actual use of the mark and the "Elephant Logo" or "Three-Elephant Logo", and its continuous use, ever since Steven Leach Manila was incorporated in 1976²⁵, including other Steven Leach firms²⁶. Moreover, Respondent-Applicant submitted notable works under the Steven Leach name, some of which are the interior design of a hotel and residence²⁷. In 1980, records show that Hughes replaced Leach as president of Steven Leach Manila²⁸. Apparently, Steven Leach Manila was never part of the Steven Leach Partnership²⁹.

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 Philippines³⁰. This occurred long before the Opposer SLAHC came into existence. Moreover, the Opposition³¹ and the Management Contracts executed by the SLA Group of companies and the SLAHC³² provides that SLAHC is a company which provides professional, technical and consulting skills and expertise including the use of the intellectual property. SLAHC is not engaged in the business of interior design consultancy. In fact, the allegation that SLAHC was

²¹ Exhibit "4-A" of Respondent-Applicant.

²² Exhibits "3", "4" and "6" and sub-markings of Respondent-Applicant.

²³ Exhibit "8" of Respondent-Applicant.

²⁴ Exhibit "17", "13-A" to "14-B" of Respondent-Applicant.

²⁵ Exhibits "7-A" to "7-D-1" of Respondent-Applicant

²⁶ Exhibit "8-A" of Respondent-Applicant.

²⁷ Exhibits "11-A" to "11-E" ; "12-A" to "12-D" of Respondent-Applicant

²⁸ Exhibit "9", "9-A" and "10" of Respondent-Applicant.

²⁹ Exhibits "13-A" to "14-B" of Respondent-Applicant.

³⁰ par. 2.6, p. 4 of Opposition.

³¹ par. 2.13, p. 7 of Verified Opposition.

³² Exhibits "N", "N-1" to "N-4" of Opposer.

incorporated as a continuation of the Steven Leach Partnership³³ is not supported by any evidence. It has no competent proof to show the legal operation, directly or indirectly, of SLAHC in the business of interior design and the like, nor authorized under the law to continue the Steven Leach Partnership. The legal existence of SLAHC as incorporated entity under the territory of the British Virgin Islands merely certifies that all the requirements of the Act in respect of incorporation are satisfied.³⁴ The creation of websites and execution of Memorandum of Agreement is not sufficient to show the legality of its continuance of the partnership and ownership of assets including intellectual property rights. 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.

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. 4-2014-502105, 4-2014-502107, 4-2014-502108 and 4-2014-502109 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City. **15 FEB 2017**



Atty. GINALYN S. BADIOLA, LL.M.
Adjudication Officer, Bureau of Legal Affairs

³³ par. 2.16, p. 8 of Verified Opposition.

³⁴ Exhibits "B" and "C" of Opposer