

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2010919
BY CONSULTING PSYCHOLOGIST PRESS INC**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 44576
BY WILL SCHUTZ ASSOCIATES INC**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2010919
by Consulting Psychologist Press Inc**

5

and

**IN THE MATTER OF Opposition thereto under
No 44576 by Will Schutz Associates Inc**

10

BACKGROUND

15

On 2 February 1995 Consulting Psychologist Press Inc applied under the Trade Marks Act 1994 to register the trade mark FIRO in respect of specifications which read:

Class 16

20

Printed matter, printed publications, periodicals, brochures, books, manuals, journals, reports, booklets and posters all relating to psychological testing.

Class 41

25

Education and training of people in administration and interpretation of psychological tests; organising, arranging and conducting psychological tests and reporting of results.

The application is numbered 2010919.

30

The application was accepted and published and on 13 May 1996 Will Schutz Associates, Inc filed Notice of Opposition to the application. The grounds of opposition as set out in the accompanying statement of case are, in summary:

35

(1) under section 5(4) in that the opponents are the owners of “earlier rights” in relation to the trade mark FIRO;

(2) that the opponents are the true proprietors of the FIRO trade mark; and

40

(3) that by reason of the opponents’ use of the trade mark FIRO in the United Kingdom since 1980 use of the same trade mark by the applicants in relation to the same type of products as those for which the opponents use the trade mark would be deceptive or cause confusion.

45

The applicants filed a counterstatement denying the grounds of opposition. The matter came to be heard on 24 July 2000 when the applicants were represented by Mr Roger Wyand of Her

Majesty's Counsel instructed by The GSCP Partnership, the opponents were represented by Mr Colin Birss of Counsel instructed by Lloyd Wise Tregear & Co.

Opponents' Evidence

5

This consists of a single affidavit dated 14 March 1997 by Mr William C. Schutz, President of Will Schutz Associates, the opponents.

10

Mr Schutz states that he is a writer, professor, lecturer and consultant in the field of organisational behaviour. He says that he is the author of nine books and many psychometric questionnaires in that field. He goes on to state that he coined the word FIRO in the 1950s as an acronym for "Fundamental Interpersonal Relations Orientation". Since coining the word FIRO he states that he and his company have used it in several ways. He lists these as:

15

- S the name of a theory of interpersonal behaviour that he developed;
- S a trade mark to identify the goods and services of himself and his company;
- S the title of a widely-read book first published in 1958 outlining the theory; and
- S the titles of several psychometric instruments eg FIRO-B (behaviour) and FIRO-F (feelings).

20

Mr Schutz explains that his writing career began in 1952 and that in 1955 he first used the word FIRO in an article entitled "WHAT MAKES GROUPS PRODUCTIVE". He states that this article appeared in "Human Relations Journal" published jointly in London and Ann Arbor, Michigan. Mr Schutz says that beginning in 1960 and continuing to the present he has used the term FIRO to promote the educational courses that he conducts around the world. The courses typically vary in length between several hours to two weeks and teach interpersonal skills to individuals, companies and government organisations or teach psychological professionals to work with the FIRO theory and materials. Mr Schutz explains that initially he conducted these courses himself, however, in 1980 he formed Will Schutz Associates and since that date he has conducted FIRO related courses on their behalf. In addition he has trained, and his company employs, other instructors that conduct such courses. Mr Schutz then states:

25

30

35

"Since 1960 WSA [the opponents] and I have taught at least twenty (20) FIRO courses in the United Kingdom and more than one thousand (1000) courses worldwide. The promotional and educational materials used in connection with these courses make prominent use of the FIRO trade mark and are widely available in the United Kingdom. Samples of such materials are appended hereto as Exhibit A."

40

Exhibit A consists of three documents. The first is entitled "THE HUMAN ELEMENT A FIRO Leaders Manual". The name of Mr Schutz and his company are both clearly displayed on the document and the word FIRO is accompanied by the TM symbol. However, I note the document is dated February 1997, there is also a © symbol at the bottom of the page dated 1995. The second document again appears to relate to a "FIRO Manual" the © is dated 1987

45

again reference is made to Mr Schutz and to his company. The third document appears to be some sort of flyer advertising workshops. The flyer includes the statement "A new series of instruments designed for organisations. Combining: "Schutz's FIRO theory of behaviour and

the FIRO scales”. Under the title “Current Activities of Will Schutz Associates” there are two dates shown for workshops in London. The dates for these workshops are given as 21-24 January 1980 and 28-31 January 1980.

5 Mr Schutz goes on to state that in 1966 he entered into his first agreement with Consulting Psychologists Press, Inc, the applicants. Under this agreement Mr Schutz states that he licensed to the applicants the right to publish and distribute a selection of his works which were tentatively entitled FIRO-B, FIRO-F, COPE VAL ED and LIPHE. After the formation of his company the opponents entered into a second agreement in 1981 with the applicants and
10 with University Associates Inc. (UAI). As in the first agreement this gave the applicants and UAI the rights to publish and distribute certain of his works.

In a third agreement effective in August 1989, UAI and the applicants released themselves and each other from their mutual obligations under the second agreement. In a fourth agreement,
15 also effective in August 1989, Mr Schutz and the opponents on the one part and the applicants, altered the terms of mutual obligations under the second agreement. Mr Schutz states that in the fourth agreement he agreed to assign to the applicants “all rights and authorities in and ownership of the works incorporated in the 1966 agreement”. Copies of all four agreements are attached as exhibits at Exhibit B.

20 Mr Schutz states that whilst the agreements at Exhibit B and in particular the fourth agreement, transfer “rights” in the works FIRO-B and FIRO-F he does not believe they constitute or any one of them constitutes an assignment of any general right in the trade mark FIRO or derivatives thereof which he and the opponents have continued to use on their own
25 behalf. The agreements, he says, were all publishing agreements relating to copyright in his works and did not relate to trade mark rights. Mr Schutz says that because of the reputation he enjoys in the name FIRO it was clearly appropriate that the name was used to identify works of which he was the author, or works related directly to other works of which he was the author or for which he had substantial responsibility. He goes on to state that at the time
30 of execution of the fourth agreement the opponents and the applicants made an express oral agreement that the opponents would retain all copyright in the book “FIRO” and a set of psychometric instruments alternatively called “THE FIRO Elements” and “The Human Elements”.

35 To his knowledge, he states that the trade mark FIRO has only been used on or in relation to works authored by him or in conjunction with services provided by him or the opponents. In addition to the books published by the applicants, he says that his works have also been published in other media. He says that his works have been available in the United Kingdom since 1958 and certainly since 1966 when the first agreement with the applicants was
40 executed.

Mr Schutz says that the terms of the fourth agreement entitle the applicants to continue to publish and distribute certain of his works and implicitly to use the names FIRO-B and FIRO-F in association therewith. He has always regarded the name FIRO and its derivatives as ones
45 which were devised and adopted by him to identify works of his authorship or closely associated with him. Thus, he states that he regards FIRO as a trade mark originated by himself and therefore his property and which he has effectively licenced to the applicants for

their use in publishing his works. He says that in this sense he believes the trade mark is quite distinct from the “works”, rights which he accepts were transferred to the applicants under the fourth agreement. He states that the applicants have applied for the trade mark in suit without any reference to or authority from him.

5

Mr Schutz concludes that it is clear to him that the applicants’ motives in filing the application were wholly contrary to the agreement they had reached and wrong in law. In addition, he states that the applicants clearly demonstrated an intention to use the name to identify works and indeed activities in areas of activity in which he is well known. Such use would inevitably cause confusion in those areas; dilute the reputation he enjoys in the name and cause him to suffer significant commercial damage in the running of his business.

10

Applicants’ Evidence

15

This consists of a single declaration dated 15 October 1997 by Mr David Krantz, President and Chief Operating Officer of Consulting Psychologists Press, the applicants.

20

Mr Krantz states that up to the date of the application his company had continuously used the trade mark for 35 years. The use was conducted through the applicants’ non exclusive UK distributor NFER-Nelson up to 1990 and since then through their exclusive distributor Oxford Psychologist Press Limited. He says that in both cases the trade mark was used in annual product catalogues, advertising etc and often included the name Will Schutz as he was the author of the works. At CPP1 he exhibits catalogues containing use of the said trade mark showing use of the name CPP on the front together with royalty statements, invoices and letters over a number of years.

25

30

I note that one catalogue is dated 1984, this is headed CPP 1984 -Catalogue Testing Teaching & Training Materials - Consulting Psychologists Press Inc. A similarly headed catalogue for 1985 is also exhibited. Both contain several references to FIRO and FIRO-B some showing Will Schutz as the author, others products listed are shown as written by other individuals. The royalty statements are from NFER-NELSON and show the opponents as copyright holder and William Schutz as the author. They are dated from December 1984 through to December 1989. The invoices are dated April 1988 through to 1993 and show a shipping address of NFER Swindon. Most of the products listed appear to relate to “FIRO Computer License Fees”.

35

40

A letter dated 19 August 1994 from Oxford Psychologists Press Ltd is also exhibited at CPP 1. Attached to the letter is a breakdown of the reprint royalties for the six months ending 30 June 1994. The last product listed is shown as FIRO-B Test Booklets and the quantity reprinted is shown as 12000. Similar letters dated 11 March and 15 September 1993 show the quantity of reprints for this booklet as 5000 & 7000 respectively.

45

Mr Krantz also states that CPP sold the same range of materials under the trade mark directly to customers in the United Kingdom from the USA, although no figures are given. He states that in his opinion the general public would certainly expect all FIRO products to come from one origin that of CPP.

Mr Krantz gives the following approximate annual sales for goods sold under the trade mark in the United Kingdom. Figures for the years 1991- 1997 are given follows:

	Year	Amount in US \$
5	1991	15,000
	1992	22,500
	1993	55,000
	1994	57,000
10	1995	62,000
	1996	105,000
	1997	123,000

15 Mr Krantz notes that one of the grounds of opposition put forward by the opponents is that they are the true proprietors of the trade mark and that the applicants use will be deceptive. He refers to the four agreements exhibited to Mr Schutz's declaration. Mr Krantz states that the 1966 agreement licensed CPP and gave them the exclusive right to publish, distribute, promote, advertise and sell the relevant works and to "take out" any necessary copyright. He says that the agreement clearly states that Will Schutz will not publish or copyright in his name
20 or otherwise without the consent of CPP any similar works or any works that might injure the sale of those that CPP had been given the right to sell. He says that there is no evidence of any control of CPP's use of the marks FIRO-B and FIRO-F or even the trade mark in suit in the United Kingdom by Will Schutz or the opponents.

25 Concerning the 1981 agreement he states that this concerns some new titles consisting of the "Schutz Awareness Scales" and gives the applicants rights to publish those works. The Agreement then acknowledges existing publication rights concerning FIRO-B and FIRO-F and confirms the applicants' existing rights. He notes that copyright in the Schutz Awareness Scales was retained by the opponents but under the 1966 Agreement copyright in the FIRO-B
30 and FIRO-F works was granted to CPP.

Turning to the two agreements in 1989 Mr Krantz notes that the first agreement concerns the applicants and University Associates Inc. He says that this is not relevant and will not be considered. The second agreement mutually releases the opponents and Will Schutz from the
35 two previous agreements. The new 1989 Agreement concerned the payment of royalties by the applicants to the opponents in connection with sales of inter alia FIRO-B and FIRO-F works in which it was agreed that Will Schutz is the author. He states that Section 3(b) of the Agreement confirms that the opponent "agrees that he retains no right to, or ownership of, the works and that his only interest in these works is in the potential royalties that he could receive". Mr Krantz states that it is clear from this section that the FIRO-B and FIRO-F
40 works are separate from the "Elements of Awareness works and that the opponents agreement in Section 3(b) to vigorously promote, market, sell, service and fulfill the "Elements" as a condition of this Agreement is to ensure that they do not limit their sales of "Elements of Awareness" works so that the applicant is required to pay higher royalties concerning works
45 sold under FIRO-B and FIRO-F.

Mr Krantz states that it is quite clear from the 1989 Agreement that the opponents retain no rights in the FIRO-B and FIRO-F works but are only interested in royalties. He does not deny that Will Schutz is the author of works under and the inventor of the said trade mark and other works, however, he states that the trade mark has been used in the United Kingdom for 35
5 years by the applicants and that the public expects those works to originate from the applicants. Mr Krantz states that Will Schutz has never had any control over the sale of FIRO goods by the applicants and that the mark is a publishers/importers/exporters mark rather than an “authors mark”.

10 Mr Krantz goes on to state that there is a clear division of responsibility and control over use of the various titles and that all rights in connection with FIRO-B and FIRO-F titles are transferred to CPP and that they should reasonably expect to be able to continue their use of the said trade mark.

15 Mr Krantz notes that the opponents claim continuous use of the trade mark since 1980 which is approximately 20 years after the continuous use of the said trade marks by the applicants began. Mr Krantz makes comments concerning the limited use shown in the exhibits to the opponents’ evidence. He concludes by stating that the evidence is not in his view sufficient to
20 support a claim under section 5(4) that the opponents are the legitimate owners of the trade mark.

Opponents’ Evidence in reply

25 This consists of three statutory declarations, the first dated 29 February 1998 is by Mr Roy Douglas Childs. Mr Childs states that he is the Managing Director of Team Focus Limited, a position he has held since 1989. He says that his company’s business is psychology and that it has a wide range of activities in the field of human resource consultancy and a particular interest in psychometric testing and training. Mr Childs explains that it is in this area that his
30 company has developed a commercial relationship with Will Schutz and his company Will Schutz Associates (WSA). He states that his company has been the distributor in the United Kingdom for products from WSA since January 1995.

35 Mr Childs states that he is familiar with the FIRO name and has known of it at least since 1985. He says that he has learnt that it was first adopted by Will Schutz in his book entitled “FIRO: A Three-Dimensional Theory of Interpersonal Behaviour” published in 1958. He understood the FIRO name to be associated with Will Schutz and more recently WSA ever since that date. Moreover, he states that he knows of many publications emanating from Will Schutz which are clearly identified by the name FIRO.

40 At RC-I he exhibits a selection of such publications. Mr Childs says that the earliest of these were published in 1967 by Consultancy Psychologists Press Inc and subsequently by CPP and WSA. He states that currently the only such publications by CPP have related to a specific psychometric instrument designed by Will Schutz and identified by the name FIRO-B. At
45 RC-II he exhibits what he understands to be the current publications of the same. The document is headed “FIRO™.B 1997 European English Edition, User’s Manual Betsy Kendall & Robert McHenry”. On the reverse there is a declaration that the copyright is held by Consulting Psychologists Press Inc. I also note that there is the following statements “FIRO,

Fundamental Interpersonal relations Orientation, and CPI are trade marks of Consulting Psychologists Press, Inc". The document is published by Oxford Psychologists Press Ltd.

5 At RC-III Mr Childs exhibits two leaflets which he says are currently used by his company in the marketing of Will Schutz's FIRO products. The document is undated and is headed "The Human Element". I note that the inside page is headed "The FIRO™-Elements Instruments. There are various other references to FIRO within the document. Mr Childs goes on to say that as far as he is aware, the material his company distributes in the United Kingdom for the opponents is produced independently and without any input or guidance from the applicants. 10 Certainly the activities of his company are quite independent of the applicants and Oxford Psychologists Press Ltd which he understands are the British distributor for the applicants. Mr Childs states that his company uses the FIRO name with the full approval and authority of Will Schutz and WSA on and in relation to material provided by them. He says that it is with some concern that he finds that the applicants are claiming trade mark rights in the FIRO 15 name.

Mr Childs concludes by stating that Will Schutz is well known in the field of psychometry. He says that Mr Schutz is closely involved with courses his company runs in this field and that in his view any reference to FIRO in the context of human relations is immediately associated 20 with Will Schutz and WSA. Mr Childs states that whilst marketing of the FIRO-B instrument by the applicants and Oxford Psychologists Press Ltd as a Will Schutz product is fully consistent with this association he has little doubt that the use of FIRO by them or by another party on products other than those emanating from or specifically endorsed by Will Schutz would be misunderstood and lead to confusion as to the origin and authenticity of the 25 products.

The second statutory declaration is by Mr Stuart Robertson a Chartered Psychologist and is dated 27 March 1998. He states that he has been asked to comment on the name FIRO and an application to register the name as a trade mark by Consulting Psychologists Press, Inc. Mr 30 Robertson says that the name that springs immediately to mind in relation to FIRO is that of Will Schutz the originator of FIRO-B and the subsequent "Elements of Awareness". He understands there are a number of UK distributors of Will Schutz products bearing the FIRO name but however they are obtained, Mr Robertson is of the opinion that they are all Will Schutz products. He says that registration of the FIRO name in the name of the applicants 35 would be inappropriate and lead to confusion and that it would inhibit the quite legitimate use of the name by practising psychologists in this country.

The third declaration is by Mr John Richards, a Group Training and Development Manager in the Group Personnel Department of the Boots Company based in Nottingham. It is dated 40 27 March 1998. Mr Richards states that he has known of the name FIRO for some years and regards it as wholly associated with the works of Will Schutz. He says that he has no doubt that any products bearing the FIRO name will, in the field of interpersonal relations at least, be assumed to be in some way associated with or approved by Will Schutz and his company.

45

Applicants' and Opponents' Evidence under Rule 13(8)

Both sides sought and were granted leave to filed further evidence in exercise of the registrar's discretion.

5

The applicants filed a further statutory declaration from Mr Krantz, this is dated 7 July 1998. At DK-1 Mr Krantz exhibits a one page agreement dated 28 August 1979. Mr Krantz states that this grants Will Schutz (now of Will Schutz Associates, the opponents) permission "...to adapt and reproduce certain of the FIRO Awareness Sales...". He states that the agreement outlines control of the use of FIRO marks by CPP and the payment of royalties to them. He states that Will Schutz also agrees to provide examples of materials containing FIRO Scales to CPP.

10

At DK2 he exhibits an addendum to a mutual release and settlement agreement signed by Will Schutz in November 1989. He also exhibits a covering letter from CPP to Will Schutz explaining the addendum. Mr Krantz says that number 2 of the addendum starts "Will Schutz and Consulting Psychologists Press, Inc. agree that Will Schutz shall retain no rights to or ownership of the FIRO Awareness Scales including FIRO-B, FIRO-F...." He states that this agreement was signed by Will Schutz and should reinforce his company's claim that they are the correct owner of the trade mark FIRO.

15

20

Referring to the agreement exhibited at DK2 Mr Krantz states that in the same month that this agreement was signed, CPP recorded that agreement as well as the two other 1989 agreements with the US Copyright Office. He states that it would only be appropriate to record these agreements if there was a change in copyright ownership. At DK3 he exhibits the Certificates of Recordal together with the respective agreements. A copy of a letter from CPP dated 29 November 1989 addressed to the Copyright Office is also exhibited. Mr Krantz states that it would seem strange that Will Schutz was willing to sign the agreement ensuring transfer of both copyright and trade mark rights to CPP if such transfer was not intended.

25

30

Mr Krantz contends that Will Schutz must have been aware of the transfer of copyright with regards to the various FIRO Awareness Scales. At DK4 he exhibits copies of two editions of FIRO-B and two editions of FIRO-F. The earlier editions show clearly that William C Schutz is the copyright holder and CPP is the publisher. He points out that the later editions show that CPP is still the publisher and that the copyright has transferred to CPP in 1989. He contends that Mr Schutz must have been aware of the transfer and has raised no complaints.

35

At DK5 he exhibits a copy of the FIRO Awareness Scales Manual authored by Will Schutz with CPP owning the copyright from 1978, again Mr Krantz states that he is unaware of any complaints from Mr Schutz.

40

Mr Krantz states that Mr Schutz wrote "A Guide to Element B; Behaviour" published in 1987. At DK6 he exhibits a number of pages from that publication. Mr Krantz states that at page 1 Mr Schutz states that during the Korean War he devised the FIRO theory and the FIRO-B instrument. He then refers to the following quote: "Somewhat later, Consulting Psychologists press, the highly respected publisher, asked if I would like to have FIRO-B published. "Sure why not?" said I and disappeared into the human potential movement.

45

Fifteen years later I reappeared and to my amazement - and delight, I found FIRO-B wherever I went. I also found several publications describing how to interpret the instrument”.

5 Mr Krantz states that from these words it is clear that Will Schutz left the development of FIRO-B and therefore the name FIRO to CPP for at least 15 years. Mr Krantz concludes by stating that based on his evidence filed in these proceedings, it is quite clear that CPP have not only developed but have also controlled use of the mark FIRO and related marks for many years.

10 The opponents filed an affidavit dated 30 November 1998 by Mr Melville Owen of Wickersham & Erickson of San Francisco. Mr Owen states that he is an attorney-at-law practising for the past 42 years in San Francisco. He states that his legal speciality and expertise is in the field of trade mark and copyright law. He states that he has been asked to review a number of documents relating to works by Will Schutz which cover contractual
15 agreements between Will Schutz and his company Will Schutz Associates Inc and Consulting Psychologists Press Inc. The documents he refers to are those attached as exhibits to the declarations filed by Mr Krantz. Mr Owen states that a reading of the declaration of Mr Krantz suggests a lay person’s common misunderstanding of the legal difference between copyright and trade mark rights. He says that under US copyright law, when the word “work”
20 is used it is used to identify a copyrighted subject matter and that a trade mark is never referred to as a “work”.

Mr Owen states that Mr Krantz is incorrect in his assertion that any of the agreements entered into between Schutz and CPP reflect an assignment of any trade mark rights from Schutz to
25 CPP. He says that all of the agreements cited by Mr Krantz reflect an assignment of only copyright in the relevant works. Concerning the document exhibited at DK1 to Mr Krantz’s declaration, Mr Owen states that Mr Krantz’s interpretation is false. He says that this agreement clearly deals with permission to Schutz from CPP to use portions of the copyrighted works CPP owned through an earlier assignment by Schutz. He states that
30 nowhere does it discuss a licence to use trade marks belonging to CPP. The royalty discussed is clearly based on the copyright usage which is the entire subject of the Memorandum of Agreement.

Turning to exhibit DK2 he says that this only addresses copyright rights with the addendum
35 laying out Schutz’s and CPP’s respective copyright interests in two separate groupings of works - the Elements of Awareness grouping (at DK2 paragraph 1) and the FIRO Awareness Scales grouping (at DK2 paragraph 2). He says that this reference to these two groupings is only to the titles of the work for the purposes of identifying what copyright interests are respectively retained and assigned. There is no trade mark right assigned or even addressed by
40 either party.

Concerning exhibit DK3 he says that this reflects a recordation in the US Copyright Office of the assignment of copyright rights by Schutz to CPP in the indicated works. He states that the US Copyright Office has no jurisdiction over trade marks or the recordation of their transfer.
45 Mr Owen states that the agreement exhibited at DK3 contains an extremely comprehensive agreement between the parties entitled “Agreement Between Will Schutz Associates, Inc, University Associates, Inc and Consulting Psychologists Press, Inc” which is dated October

18 1981. He notes that paragraph 1(5) of this agreement entitled “Copyright” is followed by Paragraph 1(6) entitled “Other Rights”. If trade mark rights were intended to be included in the rights transferred by this agreement he states that they would logically be addressed in this section. He notes that they are not. Mr Owen states that in his experience he has never
5 known of trade mark rights conveyed by “implication”. He goes on to say that Mr Krantz is entirely correct that exhibits DK4 & DK5 to his declaration support the conclusion that Schutz was aware that he was transferring copyright rights in the respective works to CPP. However, he states that this has no relevance whatsoever to CPP’s assertion of an alleged transfer of trade mark rights by Schutz.

10 Referring to exhibit DK6 of Mr Krantz's declaration he states that Mr Krantz has attempted to create an inference that Schutz assigned a trade mark right to CPP. He says that none of the contractual agreements between Schutz and CPP indicate an assignment of any trade mark. They all deal exclusively with the assignment of copyright rights and that DK6 does not
15 impact on the clear language of the contractual agreement which solely address the assignment of copyright rights not trade mark rights.

That concludes my review of the evidence.

20 **DECISION**

In his skeleton argument Mr Birss sought refusal of the application on the basis of section 5(4), section 3(6) and section 3(3)(a)[sic]. This should read 3(3)(b).

25 The grounds of opposition as set out in the statement of grounds only referred to section 5(4) of the Trade Marks Act 1994; paragraph 1 of the statement of grounds. Whilst the grounds went on to assert that the opponents are the true proprietors of the trade mark FIRO, no reference to any section of the Act was made; paragraph 2 refers. The third paragraph of the statement of grounds asserts that by reason of the opponents’ use of the trade mark in the
30 United Kingdom use by the applicants would be deceptive or cause confusion. Again, no section of the Act is mentioned.

It is not surprising that the applicants in their submissions started from the premise that the only ground of opposition being pursued by the opponents fell under section 5(4). Indeed at
35 the hearing that was the only ground on which the applicants made submissions. The opponents referred to paragraph two of the statement of grounds and suggested that this was a reference to section 3(6). Whilst, given my jaundiced view of pleadings before the registrar, I could see a section 3(6) objection within that paragraph, the opponents did not make their intention clear. An allegation that an application has been made contrary to section 3(6) is
40 clearly a serious one and one which should be stated clearly and in detail so that the other party knows the allegation that has been made against it. Nevertheless, with regard to the objection under section 3(6) it seems that the opponents’ case is that they are the true proprietors of the trade mark and most of the evidence filed by both parties concerns the ownership of copyright or other rights in the various works and goes to the agreements
45 between the parties. Thus, although I believe that the opponents could and should have stated their case more clearly, I was willing on this occasion to consider that an objection under section 3(6) and 3(3)(b) had been outlined in the pleadings.

That said, in his opening submissions Mr Birss indicated that he was not going to dwell on the objection under section 3(3)(b) and no submissions were made in respect of it. There have been a number of registry decisions which have indicated that this is an absolute ground of opposition, where there is something inherently wrong with the trade mark. As stated, it was not pursued at the hearing by Mr Birss and accordingly I dismiss this ground of opposition.

As Mr Wyand had not come prepared to deal with the objection under section 3(6) I gave a period of time for the applicants to file written submissions in response to the submissions made by Mr Birss. I then set a short period for the opponents to file any comments in reply. Both parties took advantage of the opportunity to file submissions, the applicants in a document accompanying a letter dated 1 September 2000 and the opponents under cover of a letter dated 18 September 2000. In reaching my decision I have taken account of these submissions.

Before considering the opponents' grounds of opposition it is worth stating that the basic facts in these proceedings are not in dispute. Both parties agree that the term FIRO was coined by Mr Schutz in the 1950's as an acronym for "Fundamental Interpersonal Relations Orientation". Whilst there is a dispute between them as to whether any agreement between Mr Schutz, WSA and the applicants resulted in the transfer of any trade mark rights in FIRO, they both agree that the agreement effective August 1989 transferred copyright in "the works".

I will deal first with the objection under section 5(4) of the Trade Marks Act 1994. Mr Birss confirmed that the objection went to section 5(4)(a) and to the law of passing off. This reads:

5.- (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark.

The conventional test for determining whether the opponents have succeeded under this section of the Act has been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person in *WILD CHILD Trade Mark* [1998] RPC 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

(1) that the opponents' goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the applicants (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicants are goods or services of the opponents; and

5 (3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicants' misrepresentation.

10 Mr Wyand, correctly in my view, drew attention to the lack of evidence put forward by the opponents in seeking to show that they had acquired a goodwill or reputation. And adopting the approach outlined above, I believe that, on the evidence submitted, the opponents' case must fail. There is scant evidence to support any of the legs of the trilogy taking even a generous view of any inference that might be possible.

15 For example, Mr Schutz's affidavit stated that twenty courses had been given in the United Kingdom since 1960 but I am given very scant details of these. The only detail that was supplied in the opponents' evidence can be found at Exhibit A to Mr Schutz's affidavit. There are several documents at exhibit A. One, "THE HUMAN ELEMENT A FIRO Leaders Manual", is dated 1997 and is after the material date in these proceedings. The second a "FIRO Manual" has a copyright date of 1987 but I am given no information as to the
20 circulation of this document or indeed whether it was ever circulated in the United Kingdom. The third document is a flyer advertising a workshop in early 1980. Both Mr Birss and Mr Wyand took me to this document and made submissions on whether or not it showed any use of the trade mark FIRO in the United Kingdom. Whether it does or does not show use of the trade mark is not the most significant point to be inferred in this connection. As Mr
25 Wyand pointed out, it is not clear how widely the workshop was advertised or whether the talk even took place or if it did, the number of attendees. The other evidence put forward by the opponents on this point was a statement by Mr Schutz that his book has been available in the United Kingdom since at least 1966. Again I am given no information as to sales etc to support this assertion.

30 The opponents submitted three statutory declarations in support of their contention that the trade mark FIRO is associated with them. Mr Wyand sought to question the weight that should be given to this evidence. As he pointed out, Mr Childs, was appointed as the opponents' distributor in January 1995 and in his view, it was not surprising that he associated FIRO with the opponents. In criticising the declarations of Mr Robertson and Mr Richards,
35 Mr Wyand pointed out that no indication was given as to the methodology used by the opponents in obtaining these two declarations. Further, and in my view of more significance, there is no indication in these declarations as to the position at the relevant date in these proceedings, that is, 2 February 1995.

40 However, Mr Birss sought to argue that the conventional approach to a passing off action was not the correct approach to take in the circumstances of this case. He argued that the approach that should be taken was to look at the applicants' use of FIRO and to ask to whom the goodwill from such use would enure. In his submission, this was a "Heinz Baked Bean" case not an "Own Brand Case" and that as such, the goodwill from the applicants' use would
45 go to Mr Schutz as author of the works. Mr Birss took me to CPP1 and to the applicants' catalogue. It is clear that the applicants publish a number of works but in Mr Birss's view all

those relating to FIRO show Mr Schutz as author. I must disagree with him on that point. Taking the 1984 catalogue I note that on page 28 “ The FIRO Scales” are attributed to Will Schutz but on page 29 “FIRO-BC” is shown as “Developed with the assistance of Marilyn Wood”. Much of the use relates to publications by other writers such as “Clinical Interpretation of the FIRO-B” by Leo Ryan and “Understanding your FIRO-B Results” by Ed Musselwhite and Diane Schlageter.

The use of the word FIRO which is shown has principally been by Will Schutz or WSA. In addition most of the use of the word FIRO in conjunction with the letters B and F by Consulting Psychologist Press Inc has also been associated with Will Schutz. But in my view this use denotes his role in developing the theory of FIRO but it does not denote the origin of either the services provided by Schutz or any goods supplied by him. Thus I am not wholly satisfied that this use was such as to generate either reputation or goodwill. Not least because much of it is use as a descriptive term used in the psychological analysis field.

Taking this evidence as a whole it does not seem to me that much, if any, of the evidence put forward by either party shows use of FIRO in the trade mark sense. This indeed was acknowledged by both Mr Wyand and Mr Birss; both changed their position on this point throughout the hearing, arguing the point both ways. Indeed Mr Birss agreed that the opponents had not and perhaps could not have objected to anything that the applicants had done to date but he asked me to speculate whether future notional and fair use by the applicants could be prevented by the law of passing off. But as I have found above, it is my view that the opponents have not satisfied the first of the elements necessary for a passing off action in that they have failed to show that at the date this application for registration was made they had acquired, either through their own use or the applicants’ use, a reputation or goodwill in any goods or services which are known by the trade mark FIRO. There is therefore no likelihood of misrepresentation or damage. Thus, I find that the opponents have failed to prove their case under section 5(4)(a) and therefore, I dismiss that ground of opposition.

Mr Birss in his submissions stated that this might be a case where the opposition fell to be determined under section 5(4)(a) or section 3(6) but either way it came down to proprietorship of the trade mark. With this in mind, I will go on to consider the ground of objection under section 3(6). As I stated earlier in my decision, I invited both parties to file written submissions on this point and I have had the benefit of reading both parties written comments.

Section 3(6) of the Trade Marks Act 1994 reads:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

It was common ground between the parties that I should refer to the judgment of Mr Justice Lindsay in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367.

Much of the evidence filed by the opponents and the applicants went to the question of whether Mr Shultz/WSA had transferred the trade mark FIRO to the opponents. As stated

above, it was common ground that the agreements entered into by the two parties had transferred the copyright in 'the works' from Mr Shultz to CPP. However, the evidence of Mr Krantz sought to suggest that this transfer of rights included a transfer of the trade mark FIRO. To counter this suggestion the opponents submitted the evidence of Mr Owen. Mr Owen in his evidence stated that it was his opinion that the transfer in the agreement only related to the copyright in the works and not the trade mark. Mr Birss pointed out that the applicants had been given an opportunity to put in evidence to counter that found in Mr Owen's affidavit but had not done so; it stood uncontradicted. In the event, I find that I do not need to consider Mr Owen's evidence. It seems to me, on a plain reading of the words of the August 1989 agreement, the transfer only related to copyright in the works and that no transfer of any trade mark was made. This does not seem surprising to me as at the time the transfer was made it seems that it is unlikely that the use that had been made of the word FIRO was as a trade mark. Indeed I would go further and say, that it seems to me on the evidence before me that the word FIRO is a generic term used in the inter personal relationship field of psychology. This is demonstrated in the catalogues etc. which include published works on FIRO by parties other than the applicant or opponents. On the goods and services covered by the specification in this case I doubt that the word FIRO could act as a trade mark at all.

As indicated above, I regard the evidence as very thin but I go onto consider whether, if the use that has taken place is use as a trade mark, it is the applicants or the opponents which have legitimate claim to any rights in it. On my reading of the evidence, and in particular the agreements between the parties concerned, I believe that the applicants obtained only the copyright in the words FIRO-B and FIRO-F(not FIRO solus) and that therefore they can not on the back of that, claim to own or have acquired the term FIRO. In accordance with that agreement they have gone on to publish the works associated with FIRO-B and FIRO-F in which they have the copyright. But, whatever rights there were in the word FIRO as a trade mark remained with the opponent. In that connection I believe the statements made by Mr Owen in his evidence are correct. That being so the applicants are not entitled to claim ownership of the term as a trade mark. In reaching that view I take into account the decision of Mr Geoffrey Hobbs QC in *Demon Ale* RPC 2000 at page 356:

"..... it appears to me that Article 13 of the Directive and Section 3(6) of the Act (Article 3(2)(d) of the Directive) combine to require that a sign should only be registered for use as a trade mark in relation to goods or services specified (i) without bad faith on the part of the applicant; and (ii) within limits which leave the application altogether free of objection under the provisions of the 1994 Act. I do not think that Section 3(6) requires applicants to submit to an open-ended assessment of their commercial morality. However, the observations of Lord Nicholls on the subject of dishonesty in *Royal Brunei Airlines Sdn. Bhd. V. Philip Tan* [1995] 2 AC 378 (PC) at p. 389 do seem to me to provide strong support for the view that a finding of bad faith may be fully justified even in a case where the applicant sees nothing wrong in his own behaviour."

In *Gromax Plastics Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367 Lindsay J. said (p. 379):

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of

5 the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short as to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

10 These observations recognise that the expression "bad faith" has moral overtones which appear to make it possible for an application for registration to be rendered invalid under Section 3(6) by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant. Quite how far the concept of "bad faith" can or should be taken consistently with its
15 Community origins in Article 3(2)(d) of the Directive is a matter upon which the guidance of the European Court of Justice seems likely to be required Road Tech Computer Systems Ltd v. Unison Software (UK) Ltd [1996] FSR 805 at 817, 818 per Robert Walker J."

20 In this case I have no reason to believe that the applicants saw anything wrong in making this application for registration of a trade mark. Be that as it may they do not own any rights in FIRO as a trade mark. If there are any such rights those remain with the opponents. Therefore the application was made in bad faith. The opponents succeed on the basis of the
25 Section 3(6) ground.

As indicated at the hearing, I was minded to defer submissions on costs until the outcome of my decision was known. In the light of my decision, I therefore invite both parties to file
30 submissions on costs within one month of the date of my decision. I will then issue a preliminary view as to an award of costs and, if either party wishes to be heard on the matter of costs a short hearing will be arranged to determine the matter finally.

Dated this 5 day of December 2000

35
40 M KNIGHT
For the Registrar
the Comptroller-General