

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATIONS NOS. 2322346A & 2322346B
IN THE NAME OF ORDO TEMPLI ORIENTIS**

**AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS NOS. 92269 & 92270
THERE TO BY STARFIRE PUBLISHING LIMITED**

**APPLICANT'S APPEAL TO AN APPOINTED PERSON FROM THE
DECISION OF MR GEORGE W. SALTHOUSE DATED 6 AUGUST 2007**

DECISION

Case history

1. On 31 January 2003 the Applicant, Ordo Templi Orientis, applied to register a series of four trade marks, which during the process of examination were divided into applications for two series of two trade marks, as follows:
 - application no. 2322346A – OTO and O T O
 - application no. 2322346B – O.T.O. and O. T. O.
2. The applications were each published in Trade Marks Journal no. 6503 on 24 October 2003 in respect of the following goods and services:

Class 9: Printed publications in electronic readable form.

Class 16: Printed matter; printed publications, books, stationery.

Class 41: Instruction, education and training services all relating to religion and religious matters.
3. The Opponent, Starfire Publishing Limited, opposed the entire application by Notice of Opposition (Form TM7) dated 26 January 2004, raising objections under sections 3(1)(a), 3(1)(b), 3(1)(c), 3(1)(d) and 3(6) of the Trade Marks Act 1994 (“the Act”).
4. The Applicant defended the opposition by Notice of defence and counterstatement (Form TM8) filed on 3 June 2004, contesting each of the Opponent’s claims. Both parties filed extensive evidence.

5. The Opponent amended its Statement of Grounds on 3 September 2004 to add a further ground of opposition under section 5(4)(a). The Applicant did not amend its defence and counterstatement in response.
6. The opposition was heard by Mr George W. Salthouse, acting for the Registrar, on 27 February 2007. Both sides were represented by Counsel.
7. At the hearing the Opponent withdrew the ground of opposition under section 5(4)(a) of the Act.
8. In a written decision dated 6 August 2007 (BL O/222/07 – “the Decision”), Mr Salthouse found in favour of the Opponent, based on the grounds under sections 3(1)(a) and 3(1)(b). Having done so, he did not go on to consider the grounds of opposition under sections 3(1)(c) or (d). He rejected the Opponent’s case under section 3(6).
9. On 3 October 2007, the Applicant gave notice of appeal to an Appointed Person under section 76 of the Act. The hearing of the appeal took place on 7 March 2008, at which the Applicant (Appellant) was represented by Mr Andrew Nicol QC and Ms Fiona Clark, instructed by Barlin Associates, and the Opponent (Respondent) was represented by Mr Richard Hacon, instructed by Saunders & Dolleymore.

Overview and outcome

10. This case is complex on both facts and law, so I provide an introductory overview before going into the detail of the Hearing Officer’s Decision and the various grounds of appeal. I shall continue to refer to the Appellant as the Applicant and to the Respondent as the Opponent to make my decision easier to follow.
11. To the parties involved in this case, the letters OTO/O.T.O. are an abbreviation for “Ordo Templi Orientis”, which can be translated as the Order of the Temple of the East or the Order of Oriental Templars. Ordo Templi Orientis was founded at the start of the 20th century as a sort of secret society. This acquired the flavour of a quasi-religious cult under the leadership of a man named Aleister Crowley (1875-1947), who adopted the so-called “Law of Thelema”, the central tenet of which seems to be “Do what thou wilt shall be the whole of the Law”. Mr Crowley set up the United Kingdom “branch” of the OTO in about 1913 and thereafter seems to have travelled around the world, encouraging others to join the OTO, whilst leading a somewhat unorthodox lifestyle. To join the OTO, one had to go through a series of initiation rites, often involving complex ceremonies, with further rites of passage to senior positions within the organisation.
12. Over the years, there were periods of inactivity of the OTO, for example during the Second World War. Different people sought to revive it, each claiming to be

“legitimate heirs” to the original society and/or Aleister Crowley. Disagreements led to the formation of separate groups, which still used the name Ordo Templi Orientis and abbreviation OTO/O.T.O., though usually with some additional name to distinguish the particular group concerned. In some cases, the word “group” is almost an exaggeration, since they only involved a handful of people. In fact none of these groups appears ever to have had particularly large memberships. The largest claimed is that of the Applicant, which peaked in 2002 at 4,153 worldwide (162 of whom were in the United Kingdom). The smaller groups have been scattered around the world at different times over the years.

13. The Applicant claims to be the true OTO, continuing the organisation handed down by Crowley. It has its headquarters in California and became incorporated in 1979, since when its activities have perhaps become rather more commercial than the society of early years. It raises funds, initiates new members, issues publications and conducts training. It has brought litigation between the 1980s and 2002 in both the United States and the United Kingdom through which it secured ownership of copyright in Crowley’s published works. And it has registered trade marks for the name ORDO TEMPLI ORIENTIS (in combination with a device) in the United States, United Kingdom and as a Community trade mark. Its application to register OTO/O.T.O. as a United Kingdom trade mark has of course led to the current proceedings.
14. The Opponent is the publishing arm for a United Kingdom based group that traces itself back to a man named Kenneth Grant, who declared in 1951 that he was authorised to operate the Ordo Templi Orientis in England and was at that point expelled from membership of the group called Ordo Templi Orientis which the Applicant says was its predecessor in title. The group started by Grant follows so-called Typhonian principles and is therefore sometimes called Typhonian O.T.O.. It generally refers to itself in literature as “the Official Organ of the O.T.O.”. Unlike the Applicant, the Typhonian O.T.O. does not charge a fee for membership, but it does raise money through publications. The size of its membership is unclear, but it seems to have had considerably smaller United Kingdom membership than that of the Applicant as at the application date in this case.
15. There is evidence that other small splinter groups using the name Ordo Templi Orientis/OTO have had some activity in the United Kingdom over the years, with two in particular that seem to have still existed in the final lead up to the application date, which are discussed in more detail below.
16. The Applicant claims to be the only entity entitled to call itself Ordo Templi Orientis/OTO and maintains that those groups which do not operate under its control or consent are not authorised to do so and should not use the names. For some time

during the course of this opposition, the Opponent maintained a claim going in the other direction, that it had prior passing off rights in the United Kingdom. However, as I mentioned in the case summary, this claim was dropped at the Registry hearing.

17. Turning to the marks applied for (collectively, “the Marks”), the vast majority of people in the United Kingdom would have no idea that OTO/O.T.O. stands for Ordo Templi Orientis. They would never have heard of the Ordo Templi Orientis. The mark OTO, without the full stops, would be assumed to be either an invented word or an abbreviation for some unknown phrase. In the form, O.T.O., only the latter assumption would apply. In trade mark terms, the mark would be capable of distinguishing the goods and services of one organisation from those of another and would be inherently distinctive: it would be a good badge of origin for any goods or services.
18. But the Opponent says that the situation is different in this case. The fact that OTO is and has been used as a name by a number of different groups means that it cannot serve as a badge of origin at all. In response, the Applicant says that “fact” is not good enough: you have to look at how the average consumer would perceive the Marks. The average consumer of the goods and services for which the Applicant seeks protection would have no idea that there is more than one group calling itself OTO. In fact he or she is unlikely to have heard of any of them. The Opponent deals with this response by saying that the average consumer in this case is someone who is interested in the occult, who can be expected to know about the various OTOs.
19. A huge amount of evidence was submitted by both sides to explain the history of the various OTO groups and their interrelationships, often with conflicting versions of events. It is difficult to ascertain exactly what use had been made of the name OTO in the United Kingdom in the lead up to the application date, and who would have known about it. But I have concluded that there certainly would have been some people in the United Kingdom – probably no more than in the low hundreds – who would have known about the different groups and therefore, on seeing OTO used as a trade mark on a book, would have had cause to wonder whether it came from the Applicant, Opponent or one of the other groups.
20. I have concluded that such a person cannot be said to be the “average consumer”. I have also concluded that, even if I am wrong about that, the absolute grounds of refusal of trade marks do not mean – as contended by the Opponent – that a mark that is used by more than one entity must be refused as being incapable of serving as a badge of origin. That is not what the absolute grounds say, and a conclusion to that effect would contradict other provisions of the Act which expressly permit the possibility of co-existence of trade marks both on the register and in use, as well as

provisions that recognise the possibility that some consumers exposed to a trade mark will have no idea who is responsible for it.

21. Having rejected the Opponent's central submission that the Marks could not serve as a badge of origin at the application date, it was necessary for the Opponent to succeed by reference to one or more of the specific provisions of the Act. The Hearing Officer had accepted the Opponent's position under two of the specific provisions, but I have found that he made errors in this regard and have concluded that none of the grounds of objection to the Marks have been established. The result is that the opposition fails. My full reasons are set out in the following sections.

Legislative provisions

22. Section 1(1) of the Act contains the definition of "trade mark", as follows:

1(1) In this Act a "trade mark" means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.

23. This provision implements article 2 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks ("the Directive").

24. Section 3(1) of the Act provides as follows:

3(1) The following shall not be registered –

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographic origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

25. These provisions implement article 3(1)(a) to (d) of the Directive.

26. Section 3(6) of the Act, which implements article 3(2)(d) of the Directive, provides that:

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

The Decision

27. The Hearing Officer first summarised the evidence at some length (at paragraphs 5 to 40 of the Decision).

28. The Hearing Officer prefaced his analysis of the objections under sections 3(1)(a) to (d) by the following summary of the Opponent's position:

43) At the hearing Mr Hacon, for the opponent, stated that, in essence, the opposition under all the above grounds is based on one issue which is whether OTO serves as a badge of origin and identifies the applicant and only the applicant.

29. He added:

44) The opponent has offered no evidence as to why the marks cannot function as trade marks, other than their own view that members of the relevant public would not view the marks as trade marks but as the name of a religious movement. This contention is based upon the existence of others, including the opponent, using the letters OTO as the names of their organisations, all of which are adherents to the concept of Thelemic Law....

30. This was followed by an extensive quote from the decision of Morritt LJ in *BACH and BACH FLOWER REMEDIES* [2000] RPC 513, paragraphs 31 to 39. Without reference to any other authorities (save to the extent that they were discussed by Morritt LJ in the quoted extract), the Hearing Officer found for the Opponent under section 3(1)(a) of the Act as follows:

45) The letters OTO, whether punctuated or not, do not form a standard English word and so, ignoring any use, render the mark "capable" of providing the distinction required by this section. The marks in suit had not been used by any party as a trade mark on goods, as I have found earlier in this decision. All references on publications were not as a badge of origin but as the name of the religious order. As happens so often in such situations there have been schisms, despite the denial by the applicant in their counterstatement. I have no intention of making a finding on the legitimacy or otherwise of the parties in this case. It is clear that there are a number of groups who follow the beliefs of Thelema or Thelemic Law that use the title Ordo Templi Orientis as the name of their religious groups. This could be said to be similar to those Christians who are part of the Anglican Church. The use that has been made of OTO is as a religious sect. Anyone interested in the Occult would have come across these groups and those interested in finding out more about these beliefs would have sought information or instruction by which ever group they contemplated joining. Therefore, the relevant public would have been provided with publications such as leaflets with OTO shown prominently upon them, similarly any religious instruction/education would have involved use of the marks in suit. That the marks in suit have been used by a number of groups in the UK is addressed in the applicant's evidence. The statement

of Mr Verter, the independent academic expert put forward by the applicant, makes it clear that “several organisations” have used OTO, he even talks about the “proliferation” of groups using the title OTO. His views on the legitimacy of these groups are not relevant. On the basis that the relevant consumer is that part of the population interested in the Occult and on the basis that they are reasonably well informed, observant and circumspect they will be aware that there is more than one group which uses the title OTO and believes and teaches the beliefs of Thelema. The marks in suit therefore do not, and cannot, act as a trade mark denoting the goods or services of a single entity. The opposition under Sections 1(1) & 3(1)(a) therefore succeeds. Although this finding determines the issue I will go onto consider the next ground of opposition.

31. In relation to section 3(1)(b), the Hearing Officer listed (at paragraph 46) a number of principles derived from judgments of the European Court of Justice (“ECJ”) in Cases C-53/01 to C-55/01 *Linde AG v Deutsches Patent-und Markenamt* [2003] ETMR 78, Case C-363/99 *Koninklijke KPN Nederland v Benelux Merkenbureau (POSTKANTOOR)* [2004] ETMR 57, Case C-104/01 *Libertel Group BV v Benelux Merkenbureau* [2003] ETMR 63 and Case C-342/97 *Lloyd Schuhfabrik Meyer v Klijsen Handel BV* [1999] ETMR 690. He concluded (paragraph 47) that it was necessary to assess distinctiveness in relation to the goods and services for which the applicant seeks registration and that he must take into account the perception of the relevant consumer and continued:

47) ... As I have found in paragraph 45 above the evidence shows that there are a number of groups using the title OTO all of whom offer religious instruction so that the novice can rise within the organisation. There is a system of rankings which starts at “1 degree” and ends at “10 degrees”. The evidence shows that the believer must attain greater knowledge in order to advance in the order. It is also clear that written publications are regularly produced by the various groups to provide such instruction in addition to direct tutoring or mentoring by those already advanced within the various orders.

48) In my view the average consumer would not see the mark as being origin specific and would not attach trade mark significance to the mark. Prima facie the mark is devoid of any distinctive character and the opposition under Section 3(1)(b) succeeds.

32. Having reached this point, the Hearing Officer went on to consider whether the Applicant’s marks had acquired distinctive character through use under the proviso to sections 3(1)(b)-(d), first citing relevant extracts from ECJ Cases C108/97 and C109/97 *Windsurfing Chiemsee* [1999] ETMR 585, and concluding in favour of the Opponent with the following three paragraphs:

50) The applicant provided evidence that it has a company, Ordo Temple Orientis Ltd, incorporated in the UK. It is stated that members pay “dues” to the company and that other income is derived from royalties and donations. Estimates are provided for the turnover in the UK regarding the sale of books for the year 2004/05 of £10,000. The basis for this figure is not clear and given the estimates of membership being approximately 140 in the UK this seems a little on the high side as it means that the average spend on books by every member in a year is over £70. However, even allowing that the figure is correct it does not alter the fact that at

least one other group was also selling books with OTO shown clearly on them. Such sales were described as illegitimate and there has been action with regard to copyright on some texts.

51) I have to consider whether the evidence is sufficient to establish acquired distinctiveness as a trade mark. The essential function of a trade mark is to identify the commercial origin of a product so as to enable the consumer who purchased it to either make a subsequent purchase of the product if it proves satisfactory or to avoid the product in future if the experience is unsatisfactory. With other groups using the same title to teach the same religious beliefs, ostensibly along the same lines with the same levels of attainment I do not believe that the relevant consumer will view the marks in suit as trade marks. The applicant has tried to portray itself as the legitimate heirs to the founder. This legitimacy is on the basis that the head of the organisation has to pick a successor and pass on his “magick [sic]”. The numerous rifts, expulsions and personality clashes that litter the brief history of the movement make it impossible to determine the validity of this claim. But even if it were proven it would not affect the fact that it is not the sole organisation using the marks in suit.

52) I do not consider that the evidence proves the mark applied for has acquired a distinctive character as a result of the use made of it and I conclude that the applicant has failed to satisfy the proviso of section 3(1) of the Act. My decision regarding the success of the opposition under Section 3(1)(b) set out in paragraph 48 remains unchanged.

33. As mentioned above, the Hearing Officer did not consider the grounds of opposition under sections 3(1)(c) and (d) since they were based on the same contentions as those under sections 3(1)(a) and (b), which he had already found sufficient to reject the Marks. However, he did consider the section 3(6) ground. He pointed out that neither the Act nor the Directive contains any guidance as to the meaning of “bad faith” and cited the guidance given in the decisions of Lindsay J in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 (Ch) and Sir William Aldous in *Harrison’s Trade Mark Application (CHINAWHITE)* [2005] FSR 177 (CA). He reached the following conclusion:

58) There can be no doubt that the applicants knew there was a rival claim to the use of the name. But simply knowing about another’s use does not make adopting and registering it as your trade mark an act of bad faith, for as stated in *Harrods Ltd v Harroddian School Ltd* [1996] RPC 697, unless registered as a trade mark, no one has a monopoly in their brand name or get-up, however familiar these may be. The opposition under Section 3(6) therefore fails.

Appeal decision

34. This appeal is a review of the Hearing Officer’s Decision, not a re-hearing. As a case in which there was no oral evidence, I should show “a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle”: *REEF Trade Mark* [2002] EWCA Civ 763, [2003] RPC 5 at [28]. A decision does not contain an error of principle merely because it could have been better expressed.

35. The Applicant's Grounds of Appeal seek a reversal of the Decision in relation to sections 3(1)(a) and 3(1)(b) on the basis that the Hearing Officer made a number of errors. The alleged errors were expanded upon in Mr Nicol's and Ms Clark's skeleton argument and in oral submission at the hearing, and are summarised below:

- (1) **Wrongly concentrating his attention on section 3(1)(a) of the Act, rather than starting with section 3(1)(b), (c) and (d).** In taking this approach the Hearing Officer failed to recognise that there is no category of mark that is not excluded from registration under section 3(1)(b), (c) or (d) but which is nonetheless excluded from registration by section 3(1)(a). To the extent that the *BACH* case appears to indicate the contrary, it is incorrect.
- (2) **Wrongly identifying the relevant consumer as a person who was interested in the occult and who would have come across various groups calling themselves OTO.** This objection breaks down into three:
 - (a) the specified goods and services are not limited to those relating to the occult;
 - (b) there was insufficient evidence of the existence of a number of groups using the title OTO at the relevant time; and
 - (c) even if they existed, their activities were so minimal that it was wrong to assume that the average consumer of the Applicant's goods and services would have any prior knowledge of them.
- (3) **Failing to analyse the evidence in relation to each of the groups relied on by the Opponent as using the title OTO.** Had the Hearing Officer done so, he would not have made the incorrect finding that there was at the relevant time a number of groups using the title OTO, which led to his adverse conclusion.
- (4) **Wrongly concluding that there was sufficient evidence to displace the Hearing Officer's initial finding that the marks were capable of distinguishing.**
- (5) **Wrongly finding that the marks had not been used as a trade mark by any party.** As a result of failing to take account of the evidence of trade mark use by the Applicant, the Hearing Officer wrongly concluded that the section 3(1) proviso was not satisfied.
- (6) **Making a wrong assumption that the existence of another group selling books bearing OTO was sufficient to deprive the marks of distinctiveness.** Here, the Applicant argues that prior use by other groups that had been shown was so minimal that it would not deprive the mark of distinctiveness. Further, it

is not necessary to show that every consumer would recognise the mark as distinctive. The average consumer in this case would have perceived the mark to be distinctive.

(7) Wrongly failing to address the parties' arguments as to the burden of proof.

The Hearing Officer should have held that the Opponent bore the burden of proving that the registration of the marks offended against sections 3(1)(a) and (b) and had not discharged it on the evidence.

36. The Opponent did not file a respondent's notice. Mr Hacon's skeleton argument, served two days before the appeal hearing, made it clear that the Opponent maintained all of the grounds of opposition that had been argued before the Hearing Officer. In the course of the hearing, Mr Nicol for the Applicant showed some consternation about the lack of advance notice that the Opponent intended to do more than simply respond to the Applicant's attack on the Hearing Officer's reasoning under sections 3(1)(a) and (b).

37. Pursuant to section 76(1) of the Act, an appeal lies against a decision of the Registrar, but not against his reasoning. The Opponent wanted the Registrar's decision to refuse the applications in issue to be upheld, so it was not necessary to file a cross-appeal, even in relation to the Hearing Officer's rejection of the section 3(6) ground of opposition. The appropriate route would have been to file a respondent's notice. There is no requirement to file such a notice in either the Act or the Trade Marks Rules 2000 (as amended), but the most recent Tribunal Practice Notice (2/2008 – Appeals to the Appointed Person in Inter Partes proceedings) states:

10: If the respondent to an appeal wishes the Registrar's decision to be upheld in its totality, but for additional or different reasons from those given in the decision, then they ought to file a respondent's notice with the Registrar setting out the reasons.

However, this was published about a month after this appeal was heard and well after the original notice of appeal.

38. In this case, it would be a good enough result for the Opponent if the outcome under either section 3(1)(a) or 3(1)(b) were upheld. But maintaining the other grounds was an obvious insurance policy, which the Applicant should not have been surprised about. These grounds were argued before the Hearing Officer by the same Counsel, and no claim of prejudice was made before me. It would have been helpful if the Opponent had filed a respondent's notice but, if I disagree with the outcome under sections 3(1)(a) and (b), it would not be right for me to ignore the other grounds because it did not do so. In discussing this point, I draw the attention of parties and advisers to the existence of TPN 2/2008 and the guidance contained within it in relation to appeals to the Appointed Person generally.

Findings of fact

39. I shall first deal with the Applicant's complaints about the Hearing Officer's analysis of the evidence and resultant allegedly incorrect findings of fact (in the grounds of appeal summarised in paragraphs 35(3) to (5) above) since these feed into the Hearing Officer's overall approach to the case. These grounds essentially boil down to contentions that the Hearing Officer was wrong to find:

- (a) that there were a number of groups using the title OTO as at the application date;
- (b) that people who were interested in the occult would have known this fact and therefore would not have considered the name OTO to be capable of distinguishing the goods/services of one organisation from others; and
- (c) that OTO had not been used as a trade mark by the Applicant as at the application date.

40. The evidence comprised 16 witness statements and affidavits with bulky exhibits in support, together filling nine lever arch files when copied. Much of the evidence was directed towards the history of use of the name Ordo Templi Orientis and the acronym OTO by the Applicant, the Opponent and others, with comments on whether or not such use was "authorised" or "legitimate". I have been through it all and I have no doubt that the Hearing Officer did the same. He coped valiantly with the task of reviewing and synthesising it in his Decision, and I do not propose to repeat the written exercise except as I have done in my overview and to the extent necessary to deal with the particular complaints about his findings.

(a) Different groups using OTO at the application date

41. The Hearing Officer concluded from the evidence that it was "clear that there are a number of groups who follow the beliefs of Thelema or Thelemic Law that use the title Ordo Templi Orientis as the name of their religious groups" (paragraph 45). He did not list the pieces of evidence on which he relied to reach that conclusion, but he appears to have placed considerable emphasis on the Applicant's own evidence since he said (a little later in paragraph 45):

That the marks in suit have been used by a number of groups in the UK is addressed in the applicant's evidence. The statement of Mr Verter, the independent academic expert put forward by the applicant, makes it clear that "several organisations" have used OTO, he even talks about the "proliferation" of groups using the title OTO.

42. At the time of making his witness statement, Mr Verter was a professor of social science at Bennington College (Vermont, United States) specialising in the history of religion and cultural theory. He wrote a dissertation in 1998 on the history of occult belief and practice in the modern era, with particular reference to Ordo

Templi Orientis. He claimed to give evidence “as a disinterested scholar of religion with no personal interest in the outcome of the case”. The Opponent does not dispute this. The following extracts are taken from his statement:

6. ... Although multiple institutions of what the historian Ellic Howe called “fringe masonry” may have claimed the title, I fear they may have done so in error...

9. The fact that there have been over time several organisations that have adopted the name ORDO TEMPLI ORIENTIS, OTO and O.T.O. does not mean that the name has come into common use to identify beliefs or values associated with a number of independent institutions or organisations. Nor does the proliferation of organisations adopting the name ORDO TEMPLI ORIENTIS, OTO and O.T.O. suggest that these organisations did so appropriately or have equal claims to legitimacy.

13. I have read the Affidavit of Peter Robert Koenig dated 24 November 2004, and I disagree with his suggestion (paragraph 9 and passim) that because multiple organizations have appropriated the name ORDO TEMPLI ORIENTIS, OTO or O.T.O. there is no one organization with a legitimate claim to unique proprietorship of the title. I also disagree with his claim (paragraph 12) that there is no proper line of succession in any of the various groups that have claimed the name Ordo Templi Orientis.

43. These extracts contain express recognition that multiple organisations had used the designation OTO prior to the application date, though not by reference to any particular country. It therefore supports the Hearing Officer’s finding of multiple users in general terms, but not specifically in relation to the United Kingdom. Nor do I think that Mr Verter’s evidence goes far enough to support a finding of ongoing use of OTO by multiple organisations as at the application date.

44. Mr Verter was commenting on evidence given by Peter Koenig for the Opponent, a Swiss man who has been researching the Ordo Templi Orientis since 1985, and who claims in his statutory declaration that many groups had appropriated the name Ordo Templi Orientis and its abbreviations “since the founding of O.T.O. in 1906”. From his own history of the Ordo Templi Orientis at exhibit PRK2, the only such groups which seem to be claimed to be still active as at the application date are: Typhonian O.T.O. in England (the Opponent’s organisation), the Applicant in the United States, and “Metzger’s O.T.O.” in Switzerland. Mr Koenig claims to be or have been head of “several different O.T.O. versions in Europe”, but the only such groups that he lists (in exhibit PRK1) which contain the name Ordo Templi Orientis or its abbreviation in their title are XVI° Ordo Templi Orientis Antiqua, for which his claimed appointment document is stamped “ORDO TEMPLI ORIENTIS SUDAMERICA”; “O.T.O. (Cuba/Florida)”; the “Ordo Templi Orientis Foundation”, for which the appointment document is in Spanish; and “OTO Brazil”. None of this indicates activity in the United Kingdom.

45. Stepping back from the evidence, the real problem with the Applicant's complaint here is that it contradicts its own statements in its Counterstatement, as follows:

1. ... It is not admitted that today there are several organisations worldwide which use the name "Ordo Templi Orientis" although it is admitted that there are a very small number of organisations or individuals who have recently commenced using the name "Ordo Templi Orientis" and the abbreviations OTO and O T O. ...

4. The applicant is aware that at the time of application their organisation was not the only organisation using the name Ordo Templi Orientis and the abbreviations OTO and O T O. The applicant will seek to show that none of these organisations had a legitimate right to use the trade mark or name Ordo Templi Orientis and the abbreviations OTO and O T O. ...

46. This shows that the Applicant's focus at the outset was on establishing that other users of OTO had no right to use the acronym, rather than on disproving their existence. This approach was maintained in the first witness statement of the Applicant's own Chief Executive Officer, William Breeze, which also seems to me to support the Hearing Officer's findings. For example:

At paragraph 26:

Robert Curley has on several occasions sought to undertake activities and business under or by reference to the trade marks of the Applicant ...

At paragraph 31:

The Applicant believes that Robert Curley and his "Albion O.T.O." group have received a significant amount of traffic through redirected internet links that originally pointed to the web address of the Applicant.

At paragraph 39:

Roland Williams, who indicates that he is of Ixelles, Belgium, does not identify the Ordo Templi Orientis Foundation of which he claims to be the "Outer Head" or "O.H.O.", but I believe this to be a very small group calling itself the "Ordo Templi Orientis Foundation" which was started in 1996 in Manchester, United Kingdom by David Rietti and Irene Frankel-Rietti.

At paragraph 44:

David and Irene Frankel-Rietti announced the formation of the "Ordo Templi Orientis Foundation" by way of an open internet mailing, signed pseudonymously, and dated 22 April 1996.

47. On the basis of not just the Opponent's evidence, but also the Applicant's own Counterstatement and evidence, I reject the Applicant's complaint that the Hearing Officer was wrong to find that OTO was used by organisations other than the Applicant, including in the United Kingdom, prior to and as at the application date.

(b) Knowledge of people with an interest in the occult

48. The Applicant's next point is that, even if one accepts that more than one group used the name OTO, the activities of those groups other than the Applicant were so minimal that only a trivial number of people would have known about them. In considering this claim, I have also looked at how many people would have known about the activities of the Applicant.
49. The first group of people who would have known about the activities of the groups calling themselves OTO are those who ran them or were members of them.
- (1) **The Applicant:** Mr Breeze, for the Applicant, states that there had been steady growth in its United Kingdom membership from 1987 up until July 2005 when there were 152 members. Over that period, approximately 450 individuals were admitted to membership. His exhibit WB6 shows the membership to have been 162 in 2002 and 148 in 2003, so the numbers at the application date are likely to have been somewhere in between those two figures, – say, about 155.
- (2) **The Opponent/Typhonian O.T.O.:** The Opponent claims to publish the official publication of the Typhonian O.T.O., “Starfire”. The Opponent's managing director, Michael Staley, gave two witness statements for the Opponent. While he exhibits (exhibit MS5) a copy of an information sheet said to be sent out to applicants for membership, he does not give any information about the size of membership of the Typhonian O.T.O.. Its activities (discussed below) do not indicate a large group of United Kingdom members. A reasonable guess might be about ten to twenty.
- (3) **Albion O.T.O.:** The founder of Albion O.T.O., Robert Curley, gave evidence for the Opponent. He had formerly been a member of the Applicant. He claimed to have founded the group as “National Head for U.K.” with Darren Whyte (said to be “National Secretary for U.K.”) at the “first official meeting” on 25 January 2003 and to have held monthly meetings, “Initiations” and other activities continuously since that date, with a membership of 24 – mainly in the United Kingdom, but also in South Africa, Holland, the USA and Afghanistan – as at 27 September 2006. Apart from Messrs Curley and Whyte, there is no mention of any other members of Albion O.T.O. prior to the application date, which was only six days after the group's formation. It therefore seems likely that the founders were the only two members at the time and I proceed on that basis.
- (4) **O.T.O. Foundation (“OTOF”):** The so-called “Outer Head” of OTOF, Roland Williams, gave evidence for the Opponent. In his witness statement dated 27 September 2006, he states that the group was founded on 4 February 1996 and had “about 20 members in Britain” as at the application date.

(5) Of the other organisations said by the Opponent to have used OTO prior to the application date (Societas Ordo Templi Orientis (SOTO), the Swiss OTO group (which I think must be the same as “Metzger’s O.T.O.” referred to earlier, though nothing turns on this), Ordo Templi Orientis Antigua and Cthonic-Uranian OTO), I can find no evidence dealing with membership numbers in the United Kingdom.

50. In summary, the United Kingdom based members of the Applicant at the relevant date numbered about 155, while the combined memberships of the other groups using the name OTO came to somewhere between about 32 and 42.

51. The second group of people who would have known about the activities of the groups calling themselves OTO are those who had been directly exposed to these activities, including people who might have been contemplating joining one of the groups, as to which the evidence is as follows:

(1) **The Applicant:** Since about 1986, the Applicant has published books and other publications in the United Kingdom which refer to its history and current activities. Despite the vast swathe of evidence from the Applicant, it is hard to discern what is said about the extent of sales of such publications or their readership, since – as pointed out by the Hearing Officer – the annual reports exhibited relate to the worldwide figures, without a breakdown for the United Kingdom. Mr Breeze estimates that in the fiscal year 2004-5 the wholesale turnover value in the United Kingdom of “licensed books sold under or by reference to the trade marks of the Applicant” was approximately £10,000. But this relates to a period two years after the relevant date and is not accompanied by other evidence by which I could extrapolate an estimated figure for the years running up to the application date. I conclude that the readership of the Applicant’s books has not been proved to be significantly greater than the size of its membership as at the application date.

(2) **The Opponent/Typhonian O.T.O.:** The only relevant activity by which the Typhonian O.T.O. has promoted itself beyond its membership is through the Opponent’s publications. Two books by Kenneth Grant were published by the Opponent: “Beyond the Mauve Zone” in 1999 and “The Ninth Arch” in 2002. The latter was promoted to the general public at a book launch in London in 2002, as was an earlier publication, “Starfire” Volume II, No.1 in May 1996. The “Starfire” publication was last published in 1999, for which a typical print run was 600, which Mr Staley said would have been expected to be sold over a period of about five years. However, he did not confirm that all of the 1999 “Starfire” copies have been sold. These publications have been sold directly to the membership of Typhonian O.T.O. and supplied to bookshops and to

individual customers by mail order. Mr Staley states (Staley 1, #12) that the turnover for the Opponent's publications, books and newsletters was as follows:

1998/1999	£2,146
1999/2000	£1,624
2000/2001	£1,282
2001/2002	£752
2002/2003	£826
2003/2004	£716

Upon challenge by the Applicant, Mr Staley added that these turnover figures related predominantly to the United Kingdom (Staley 2, #95). On going through some of the Starfire publications, we found one priced at £10 and another at £12, though I suspect that the Kenneth Grant books cost more than this. The name OTO did not appear on all of the extracts, for example from "The Ninth Arch", but the book did appear to discuss the Ordo Templi Orientis which, given its author, must have been at least in part about the Typhonian O.T.O.. I have no reason to doubt the turnover figures given, and I deduce from these and the likely selling prices of the publications concerned that the number of people in the United Kingdom – outside its own membership – who had bought one or other publication relating to the activities of the Typhonian O.T.O. in the few years leading up to the application date probably numbered in the region of 100. There is an inevitable element of "guesstimate" in this figure.

- (3) **Albion O.T.O.:** As stated in the section above, relating to membership, the Albion O.T.O. was only formed six days before the application date. While Mr Curley states that there were meetings and preparations before that date, he does not give any detail, and I cannot assume that these came to the attention of anyone other than the members, numbering two. Although Mr Curley acquired the domain name *uk-oto.org* in June 2002, the group did not use this to point to a website about its activities until March 2003. Therefore, I proceed on the basis that nobody outside the tiny membership knew about this group at the application date.
- (4) **O.T.O. Foundation ("OTOF"):** There is no evidence about any publishing or other activities by which OTOF would have become known to people outside its own membership. Mr Williams states (Williams 2, #2): "Expansion of membership comes through having our members be shining examples in whatever field they chose to work in". The basis for this contention must simply be word of mouth of the individual members (about 20 at the relevant date).
- (5) The evidence about the activities of the other OTO groups relied on by the Opponent does not enable me to draw any useful conclusions about the extent of

exposure of their activities to people resident in the United Kingdom, who would recall their knowledge of such activities as at the application date.

52. The third group of people who would have known about the activities of the groups calling themselves OTO are those who – although not members of any of the groups themselves, or directly exposed to their activities (e.g. by reading their books) as they occurred – had conducted specific research into such groups. I have little doubt from the evidence that a person conducting research into cult religions or occult beliefs at the application date would have been able to find references in books, articles and on the internet to the existence, history and activities of the Applicant and the other groups relied on by the Opponent, including the Opponent/Typhonian O.T.O., the OTOF, Societas Ordo Templi Orientis (SOTO), the Swiss OTO group, Ordo Templi Orientis Antigua and Cthonic-Uranian OTO, though probably not Albion O.T.O. because it was too new. It is also clear that anyone sufficiently interested to dig deeper into why such groups co-existed under the same name would find that the Applicant claimed to be the true OTO, continuing the organisation that had been led by Aleister Crowley, but that others – in particular, the Opponent – made similar claims or alternatively called themselves OTO because they purported to follow a similar system of “Thelemic” law.
53. There is no evidence before me as to how many people in the United Kingdom might be in this category of “researchers”, but I would expect the number to be low. Although the number of researchers into cult religions or occult beliefs might be as high as a few hundred (another “guesstimate”), I find it hard to believe that the number of researchers who would have studied the Applicant and/or any of the other OTO groups specifically as at the application date would have been even as high as a hundred. I would also expect there to be at least some overlap between these “researchers” and the readers of publications put out by the various groups that I have dealt with above, if not with their members as well.
54. I have considered whether I should spread the net further, to all researchers into the occult or just general readers of books about the subject. There was no evidence to indicate how important the Ordo Templi Orientis groups are in the context of cult religions or occult beliefs generally, or how widespread the interest is in these groups among either academics or members of the public generally, even among those who are “interested in the Occult”. Millions of people could perhaps be said to have developed an interest in the occult when they read Dan Brown’s novel, “The Da Vinci Code”, but how many of those would have been sufficiently interested to follow a line of research that would lead them to information about the Applicant, the Opponent and/or the other groups who used or had previously used the terms Ordo Templi Orientis or OTO? There was no evidence in this case to suggest that significant numbers of people had that kind of interest. Apart from Mr Parnell, the

Applicant's trade mark attorney, everyone who gave evidence in the case had some direct involvement in one or more of the groups and/or had specifically researched their history and activities. All the rest was submission from Mr Hacon, on which I cannot rely without evidence.

55. In summary, the best that I can conclude from the evidence is that, at the application date, there were between the high tens and low hundreds of people in the United Kingdom who knew that OTO stood for Ordo Templi Orientis and that the name and abbreviation were used by other groups as well as the Applicant. These comprised members of the groups themselves, readers of their literature and researchers into cult religions or occult beliefs who had looked specifically at those groups that used the name Ordo Templi Orientis. The majority of such people would also have known that the Applicant used the names Ordo Templi Orientis and OTO without an additional name, but that they were sometimes referred to in the literature as the "Caliphate OTO", and that the other groups often used additional names to distinguish themselves from the Applicant and each other, such as "the Official Organ of" or "Typhonian" or "Foundation".

56. My conclusion on knowledge is therefore somewhat different to that of the Hearing Officer. Whereas he found that "anyone interested in the Occult would have come across" the various groups that had used the title Ordo Templi Orientis, I have found that only those people who were members of the groups, and/or who had read their books, and/or who had specifically researched the groups would have had such knowledge.

(c) Use of OTO as a trade mark by the Applicant

57. The Applicant complains about the Hearing Officer's finding that there had been no use of OTO as a trade mark because this informed his conclusion, to which the Applicant also objects, that the proviso to section 3(1) of the Act was not satisfied.

58. It will be seen below that I do not consider that it was necessary for the Hearing Officer to consider the proviso to section 3(1), so I do not need to deal with this particular complaint in any detail. However, because it is linked to the Opponent's submission that Ordo Templi Orientis is the name of a "belief system" rather than of an entity or entities, I set out below some comments on the uses of the name and acronym found in the evidence. At this stage, I am not commenting on the extent of use of the Marks in the United Kingdom, but just on the nature of the use:

(1) Both parties use Ordo Templi Orientis and OTO as a name to identify itself as an entity, the Applicant tending to call itself OTO or the OTO, and the Opponent calling itself the Official Organ of the OTO or the Typhonian OTO.

- (2) Books authored by Kenneth Grant contain a variety of claims in the dustjackets, primarily to the effect that he studied “magick” under Aleister Crowley and, a few years after Crowley’s death, took over “the Ordo Templi Orientis (O.T.O.)”, which is described as “a body of Initiates working towards the establishment of the Law of Thelema” (e.g. exhibit MS4, p.45).
- (3) OTO or O.T.O has been used in a way that people would see as a “brand”, rather than just the “trading name” of the publisher, on a number of Aleister Crowley’s publications in which the Applicant owns the copyright: for example, large letters on the spine of a book that has another title (e.g. “The Book of Thoth” at WB40, p.101; “The Revival of Magick” – “New Falcon: OTO”, p.174) and also as an indicator of origin (e.g. “published by O.T.O.” on the next page; similarly, “Eight lectures on yoga” – “issued by the O.T.O.”, p.142).
- (4) A number of publications relied on by the Opponent also show use of the name Ordo Templi Orientis as an indicator of their origin, though I have not found examples of use of the acronym OTO as a “brand” in the way that the Applicant has used it.

The average consumer

59. I have dealt above with the categories of people who would have known about the use of the name OTO by the Applicant, the Opponent and others as at the application date, and the likely numbers thereof. These are questions of fact that are different from the question of determining who the notional average consumer is in this case, which is a mixed question of law and fact. I move to this issue before turning to consider the specific arguments under section 3(1) because a number of the alleged errors in the Decision go to the Hearing Officer’s characterisation of the notional average consumer and his or her perception as to the meaning of the mark OTO, which was relied on in the analysis under both sections 3(1)(a) and (b). (See the ground of appeal at paragraph 35(2) above.) The identity and perceptions of the average consumer also need to be taken into account if I have to go on to deal with the Opponent’s additional and alternative grounds under sections 3(1)(c) and (d).
60. The Hearing Officer decided the case on the basis that the relevant consumer was “that part of the population interested in the Occult”. He did not explain his reasons for defining the relevant consumer in this way. He simply appears to have assumed that, because the Applicant and (as he found) others had used the name OTO in relation to religious groups that adhere to a system of beliefs which some might identify as being of the occult, the relevant consumer would be limited to the sort of person that could be expected to be interested in goods and services emanating from, or about, such groups.

61. If this were the correct approach, it would mean that, whenever a trade marks examiner had evidence before him – or perhaps just personal knowledge – about the nature of an applicant’s business, and where such evidence indicated a business that was narrower than or different from the scope of the goods or services in the specification, he would be entitled to make assumptions about the relevant consumer based on that evidence and knowledge. That in turn would lead to the possibility of a different outcome in a case with evidence about the applicant’s business from one where there was no such evidence or prior knowledge. In the latter case, the hearing officer’s only guide to the relevant consumer would be the specification itself.
62. Mr Hacon sought to support the Hearing Officer’s approach with the following argument. He pointed out that the specification of goods and services for a trade mark could be very narrow, in which case the average consumer would be deemed to be well-informed and observant across the specified narrow sector. But if the specification is notionally expanded to cover a wide range of goods and services, it should not follow that the average consumer’s knowledge of the narrow sector – within that wider range – becomes vaguer, i.e. somehow less well-informed and less observant. Giving the example of a mark which would be seen as descriptive by consumers interested in organic foods, but not by the majority of food buyers, Mr Hacon submitted that an applicant could not avoid a finding of descriptiveness by using the word “foodstuffs” rather than “organic foodstuffs” in his specification of goods.
63. Applying this argument to, for example, printed matter within the class 9 and 16 specification for the Mark, Mr Hacon says that one has to assume that the average consumer has knowledge of and equal interest in printed matter on every topic under the sun. Had the case been about cookery books, the relevant part of the average consumer’s knowledge would be that concerned with printed matter on cooking, so it would be convenient shorthand to consider an average consumer interested in cookery books. Similarly, he submits, because this case is about the occult, it is convenient shorthand to consider the average consumer with an interest in the occult: i.e. to focus attention on the average consumer’s reasonably well-informed knowledge on that topic.
64. Mr Hacon did not rely on any authority to support his argument, and I am not aware of any. It seems to me that a flaw arises when he says that the case is about the occult. It is not. The case under section 3(1) is about the mark OTO/O.T.O. and it is about the goods and services in the specification applied for, none of which are framed by reference to the occult. The closest one gets is in the specification for the services in Class 41, which are said to be “all relating to religion and religious matters”. The specification is not “printed matter about the occult” or “instruction on the occult”. The fact that some aspects of the activities and beliefs of the Applicant,

the Opponent and others who claim to be part of the Ordo Templi Orientis may be said to be “of the occult” is irrelevant.

65. If the approach that Mr Hacon advocates were to be generally applied, it would have the superficial attraction of preventing applicants from ‘disguising’ descriptive, generic or otherwise non-distinctive marks by seeking coverage for broad descriptions of goods and services. But there is no evidence that the Applicant is trying to do this. Indeed, there was evidence of a prior publication on the subject of yoga, and I see no reason why there could not be an OTO guide to cooking or to sex or to management. “Printed matter”, “books” and the like are standard specifications of goods, commonly accepted by the Registrar, and it is not appropriate to imply a limitation to the specification in the absence of a properly framed attack on the scope of the specification, based on one of the provisions of the Act and supported by evidence.
66. I conclude therefore that there is no reason to depart from the usual rule laid down by the ECJ that the notional consumer to be considered is the average consumer of the goods and services in respect of which registration is applied for, who is deemed to be reasonably well-informed and reasonably circumspect and observant: see, for example, Case C-299/99 *Philips v Remington* [2002] ETMR 81 at [63]. The relevant average consumer in this case is the ordinary member of the public who buys books and other reading matter, whether in hard or soft copy, in the case of the class 9 and 16 goods; and those members of the public with an interest in learning about religion and religious matters in the case of the class 41 services.
67. In the light of the evidence and the conclusions that I have reached on the facts, I find that only a tiny proportion of relevant consumers would have any idea of what OTO or O.T.O. stood for, and even fewer would be aware of the fact that it had been used by more than one organisation prior to the application date.
68. Even if the Hearing Officer and Mr Hacon are right to limit the identity of the relevant notional consumer to those who are interested in the occult, in my view it is still a step too far to say that such a person can be taken to have been aware of the meaning of the term OTO or its use by different groups. The way that the Hearing Officer got there was to say (at paragraph 45) that anyone interested in the occult would have come across those groups, and anyone interested in finding out more about the groups’ beliefs would have sought information or instruction by one or other of the groups and would therefore have been provided with publications or instruction/education involving use of the Marks. That is equivalent to saying that the relevant consumer of the publications and instruction services in respect of which the Applicant wishes to register the Marks is a person who has already read

such publications and received such instruction. That approach is circular and cannot be correct.

69. In summary, I find that the Hearing Officer fell into error when he limited his definition of the notional consumer to a person interested in the occult. He should instead have defined the notional consumer by reference to the goods and services as applied for. Even if I am wrong about that, I also find that he was wrong to assume that a person interested in the occult would necessarily know anything about the meaning and/or users of the name OTO.

The Opponent's overall approach under sections 3(1)(a) to (d)

70. The Opponent's central submission underlying each of the section 3(1) grounds relied on is that OTO did not serve as a badge of origin at the application date and therefore could not serve to distinguish the goods and services of the Applicant from those of other traders. As Mr Hacon put it in his oral submissions (transcript, p.48, lines 5-10):

If, in fact, more than one trader is using the same trade mark then in fact that trade mark cannot be distinctive of any of them. It does not matter if you find consumers who think, "Well, I looked at the same trade mark and I assumed that it represented the same one". In fact it cannot serve that purpose.

71. If it were the case that section 3(1) prohibits the registration of a trade mark that is used in respect of the same goods or services by other entities as well as the trade mark applicant, it would make a nonsense of a number of other provisions in the Act and the way in which the trade mark system works in practice.

72. For example, section 5(5) of the Act expressly permits a mark that is identical to an earlier trade mark to be registered in respect of identical goods/services with the consent of the proprietor of the earlier trade mark. This section implements the following non-mandatory provision at article 4(5) of the Directive:

The Member States may permit that in appropriate circumstances registration need not be refused or the trade mark need not be declared invalid where the proprietor of the earlier trade mark or other earlier right consents to the registration of the later trade mark.

73. Even if the proprietor of an earlier trade mark has not expressly consented to registration, the system of examination in the UK-IPO no longer involves refusal of applications because of the existence of earlier marks. Earlier rights owners are notified of a conflicting applications, but registration goes ahead if they do nothing about it. In theory, numerous identical trade marks could co-exist on the Register and/or be in use, each of them indicating the origin of their particular proprietor.

74. By permitting co-existence on the Register of identical trade marks for identical goods, the Act, the Directive and the United Kingdom examination system provide

for precisely the situation which Mr Hacon says must be prohibited under section 3(1). A similar situation arises under the Community Trade Mark Regulation (40/94 – “CTMR”). CTM oppositions based on the existence of earlier trade marks may only be brought by their proprietor (article 8). In the case of invalidity applications based on prior rights, these will not succeed where the earlier rights owner has consented to the CTM registration (article 52(3)). In each case, if the proprietor of the earlier trade mark chooses not to attack the CTM application or registration, then identical trade marks may co-exist for identical goods and services, serving as a badge of origin for more than one entity – potentially several. The CTMR contains identical “absolute grounds” of refusal to those in section 3(1)(a) to (d) in the Act and article 3(1)(a) to (d) of the Directive. It does not make sense to interpret these absolute grounds under either the Community or harmonised national trade mark systems in a way that prohibits what the “relative grounds” expressly permit.

75. The other way in which Mr Hacon put the Opponent’s overall “badge of origin” submission, which recognised the role of consumer perception of the Marks, was to say that consumers would be confused as to which group was responsible for a product or service supplied under the Marks. By definition, the only people who could be confused would be those who already knew that OTO was used by more than one group, which I have found to be an extremely small number. They would have to make some further examination of the product or service on offer to see which of the groups was responsible.
76. Is that impermissible under section 3(1)? Again, I do not think that it is. Consider a sign that starts out as being inherently non-distinctive: a slogan perhaps, or the shape or colour of packaging. The ECJ has held that it may be registered as a trade mark under the proviso to article 3(3) of the Directive (the equivalent of the proviso to sections 3(1)(b) to (d) of the Act) if – as a result of the use made of the mark – at least a **significant proportion** of relevant consumers identify goods or services as originating from the applicant: *Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee Produktions* [1999] ETMR 585 at [52]. This must leave a lot of potential consumers who do not regard the trade mark as a badge of origin for the applicant.
77. It seems to me that the Opponent’s “badge of origin” argument does not work as a general proposition in this case and can only prevent the registration of the Marks, even though they have been used by more than one entity prior to the application date, if it can be pinned down to a specific ground of opposition under one of the absolute grounds in section 3 or the relative grounds in section 5. The only relative ground was dropped at the first hearing, so the Opponent is left with the absolute grounds under sections 3(1)(a) to (d) and 3(6), which I deal with in turn below.

Section 3(1)(a)

78. The Applicant contends that the Hearing Officer erred in focusing his attention primarily on section 3(1)(a) of the Act, rather than sections 3(1)(b), (c) and (d), since there is no category of marks which is not excluded from registration under one of the latter provisions but is nonetheless excluded from registration under section 3(1)(a). (This is the ground of appeal at paragraph 35(1) above.)

79. This contention is based on the conclusion of the ECJ in Case C-299/99 *Philips v Remington* [2002] ETMR 81, when considering the provisions in the Directive from which sections 3(1)(a) to (d) are derived (i.e. articles 3(1)(a) to (d)). The following extract from this judgment puts that conclusion in context:

37. However, it is clear from the wording of Article 3(1)(a) and the structure of the Directive that that provision is intended essentially to exclude from registration signs which are not generally capable of being a trade mark and thus cannot be represented graphically and/or are not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

38. Accordingly, Article 3(1)(a) of the Directive, like the rule laid down by Article 3(1)(b), (c) and (d), precludes the registration of signs or indications which do not meet one of the two conditions imposed by Article 2 of the Directive, that is to say, the condition requiring such signs to be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

39. It follows that there is no class of marks having a distinctive character by their nature or by the use made of them which is not capable of distinguishing goods or services within the meaning of Article 2 of the Directive.

40. In the light of those considerations, the answer to the first question must be that there is no category of marks which is not excluded from registration by Article 3(1)(b), (c) and (d) and Article 3(3) of the Directive which is none the less excluded from registration by Article 3(1)(a) thereof on the ground that such marks are incapable of distinguishing the goods of the proprietor of the mark from those of other undertakings.

80. The ECJ was directly answering a question that had been posed to it on a preliminary reference by the Court of Appeal. The Court had asked the question because it wanted to know whether there was a special class of marks which, even though distinctive in fact, were none the less incapable of distinguishing as a matter of law under article 2 (and were therefore precluded from registration under article 3(1)(a)). The Court's answer to that question was "no".

81. The message that one takes away from this part of the ECJ's decision in *Philips v Remington* is that all signs that fail to satisfy the requirement in article 2 of being "capable of distinguishing" goods and services of one undertaking from those of other undertakings, and are therefore caught by article 3(1)(a), will also be caught by one or more of the specific exclusions in article 3(1)(b), (c) and (d).

82. As I understand it, the Applicant contends that this means that the proper way to approach an opposition based on an over-arching objection that the mark in issue does not serve as a badge of origin is to identify the reason why this is so by reference to the particular exclusions of article 3(1)(b), (c) or (d), i.e. (to paraphrase the latter provisions) to establish whether the mark is devoid of distinctive character, is a descriptive mark, or is a generic mark. If the mark falls into in one or more of these categories, then it will be excluded by the relevant provision and will also thereby fall foul of article 3(1)(a). If it does not so fall, then – according to the ECJ in *Philips v Remington* – it will inevitably not be caught by article 3(1)(a).
83. While this approach has the apparent attraction of logic, it ignores the fact that article 3(1)(a) has an important role in filtering out signs which are simply not capable of being a trade mark at all, irrespective of the goods or services to which they might be applied. It does this by reference to two characteristics: first, the capability of the sign to be represented graphically; and second, its capability to distinguish goods or services of one undertaking from those of other undertakings.
84. This filtering role in relation to the first characteristic (capable of graphical representation) has been made clear by the ECJ in a number of cases, including Case C-273/00 *Sieckmann* at [43]-[55], Case C-104/01 *Libertel* at [22]-[42] and Case 283/01 *Shield Mark* at [34]-[41]. The fact that the same applies to the second characteristic (capable of distinguishing) is apparent from the ECJ’s decision in *POSTKANTOOR*, when it considered the inherent registrability of that word as a trade mark. The ECJ said (emphasis added):
80. As a preliminary point, it is appropriate to observe, first, that the purpose of Art.2 of the Directive is to define the types of signs of which a trade mark may consist (Case C-273/00 *Sieckmann* [2002] E.C.R. I-11737, para.[43]), **irrespective of the goods or services for which protection might be sought** (see to that effect *Sieckmann*, paras [43] to [55], *Libertel*, paras [22] to [42], and Case C-283/01 *Shield Mark* [2003] E.C.R. I-0000, paras [34] to [41]). It provides that a trade mark may consist *inter alia* of words and letters, provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.
81. In view of that provision, there is no reason to find that a word like *Postkantoor* is not, **in respect of certain goods or services**, capable of fulfilling the essential function of a trade mark, which is to guarantee the identity of the origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin (see, in particular, Case C-39/97 *Canon* [1998] E.C.R. I-5507, para.[28], *Merz & Krell*, para.[22], and *Libertel*, para.[62]). Accordingly, an interpretation of Art.2 of the Directive appears not to be useful for the purposes of deciding the present case.
85. So, in the Court’s view, the word *POSTKANTOOR* was a sign that was inherently perfectly capable of being a trade mark within the two basic requirements of article 2. It therefore did not fall foul of the article 3(1)(a) ‘filter’, but the Court had to go

on to consider whether it nevertheless should be excluded by one or more of articles 3(1)(b), (c) or (d).

86. I conclude from this that the Hearing Officer was not wrong to start his analysis by reference to section 3(1)(a) of the Act. On the contrary, this was a good starting point to see whether there was an obvious reason why the Mark should have been excluded from registration, regardless of the goods and services applied for, which might have precluded the need to go on to consider the more specific exclusions relied on by the Opponent, which would require consideration of the particular goods and services.

87. However, I do find that the Hearing Officer approached section 3(1)(a) incorrectly.

88. My first reason for reaching this conclusion is that I do not believe that the average consumer comes into section 3(1)(a) at all. As stated above, this provision is a filter to prevent registration of signs which are not capable of being trade marks, without reference to particular goods or services. In the same way that POSTKANTOOR satisfied the definition of “trade mark” in article 2 of the Directive, so too do the Marks satisfy the requirements of the same definition in section 1(1) of the Act. On this basis, the Hearing Officer should have stopped at his starting point, where he stated in paragraph 45 of the Decision that:

The letters OTO, whether punctuated or not, do not form a standard English word and so, ignoring any use, render the mark “capable” of providing the distinction required by [section 3(1)(a)].

89. This finding was in my opinion sufficient to satisfy the “capable of distinguishing” requirement of the definition of trade mark in section 1(1) and thereby to overcome the ground of opposition based on section 3(1)(a) of the Act.

90. Unfortunately, I cannot leave it there, since there is live debate about whether *POSTKANTOOR* really means what I understand it to mean. The authors of *Kerly’s Law of Trade Marks*, 14th edition, maintain that the relevant part of the Court’s decision was *obiter*, and set out a number of arguments in favour of an approach that involves an assessment of the proposed mark by reference to the goods and services applied for: see paragraphs 2-072 to 2-099. At the heart of these arguments is the contention that the requirement that the sign must be “capable of distinguishing” is a reference to the essential function of a trade mark, which must involve an assessment of its impact on consumers of the relevant goods and services. The idea of an abstract capability to distinguish, they say, makes little sense and serves no purpose. As I have said, I disagree: it serves as a simple filter out of signs that are not capable of functioning as a trade mark on any goods or services. It is hard to think of a word for which that would be true, but article 2 deals with all different kinds of sign, so that does not defeat the point.

91. Although the English Courts have not expressly dealt with the correct approach to section 3(1)(a) since *POSTKANTOOR*, the UK-IPO has subsequently issued Practice Amendment Notice (PAN 7/07) which uses the example of “soap” applied for in respect of soap as one which would fall foul of section 3(1)(a). That would not be the case if one were assessing the ability to distinguish in an abstract sense.
92. The “soap” example was used by Jacob J in *Philips v Remington* [1998] RPC 283 at 301. On appeal in that case, Aldous LJ expressed his opinion (in a unanimous judgment) that prior use of a trade mark as at the application date is irrelevant to deciding registrability under section 3(1)(a): *Philips v Remington* [1999] ETMR 816 (CA) at 825. But his judgment was only provisional since he was to refer a number of questions of interpretation of the Directive to the ECJ, including the one to which I have referred above. Before the answers came, a differently constituted Court of Appeal diverged from Aldous LJ’s view in *BACH*, in a judgment which focused extensively on whether a mark that was capable of distinguishing goods *in vacuo* nevertheless fell foul of section 3(1)(a) as being incapable of distinguishing the particular goods concerned because of the use that had been made of it by different users prior to the application date. It was this decision on which the Hearing Officer focused in reaching his conclusions on section 3(1)(a) in this case.
93. The problem with such heavy reliance on *BACH* is that the Court of Appeal proceeded on the basis that there could be a category of marks excluded from registration under section 3(1)(a) but nevertheless not excluded by any of sections 3(1)(b), (c) or (d). That was wrong, according to the ECJ in *Philips v Remington*, and was treated as such by the Court of Appeal in *West (t/a Eastenders) v Fuller Smith & Turner PLC* [2003] EWCA Civ 48; [2003] FSR 44: per Pumfrey J at [35] and Arden LJ at [61]-[64]. The latter decision did not expressly deal with the correctness of testing registrability under section 3(1)(a) by reference to a meaning acquired through use. It was also before *POSTKANTOOR*.
94. Since the position is a bit of a mess, I have decided to take advantage of the ECJ’s ruling that section 3(1)(a) will not apply if none of sections 3(1)(b), (c) or (d) applies. To that extent, I agree with the Applicant that it is sensible to look at those sections first and I can then revisit section 3(1)(a). The objection under section 3(1)(b) was the only one examined by the Hearing Officer, so I deal with that first.

Section 3(1)(b)

95. The Hearing Officer set out the principles derived from the ECJ cases at paragraph 46 of the Decision, as follows:
- a) an objection under Section 3(1)(b) operates independently of objections under Section 3(1)(c) – (*Linde AG (and others) v Deutsches Patent-und Markenamt*, Journal Cases C-53/01 to C-55/01, paragraphs 67 to 68);

b) for a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);

c) a mark may be devoid of distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive (*Koninklijke KPN Nederland v Benelux Merkenbureau*, paragraph 86);

d) a trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public's perception of that mark (*Libertel Group BV v Benelux Merkenbureau*, Case C-104/01 paragraphs 72-77);

e) the relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).

96. I have no disagreement with any of these statements. I would add to them the following guidance from the ECJ in Case C-404/02 *Nichols plc v Registrar of Trade Marks* [2005] RPC 243:

30. In the same way as a term used in everyday language, a common surname may serve the trade mark function of indicating origin and therefore distinguish the products or services concerned where it is not subject to a ground of refusal or registration other than the one referred to in Article 3(1)(b) of Directive 89/104, such as, for example, the generic or descriptive character of the mark or the existence of an earlier right.

31. The registration of a trade mark constituted by a surname cannot be refused in order to ensure that no advantage is afforded to the first applicant since Directive 89/104 contains no provision to that effect, regardless, moreover, of the category to which the trade mark whose registration is sought belongs.

32. In any event, the fact that Article 6(1)(a) of Directive 89/104 enables third parties to use their name in the course of trade has no impact on the assessment of the distinctiveness of the trade mark, which is carried out under Article 3(1)(b) of the same directive.

33. Article 6(1)(a) of Directive 89/104 limits in a general way, for the benefit of operators who have a name identical or similar to the registered mark, the right granted by the mark after its registration, that is to say after the existence of the mark's distinctive character has been established. It cannot therefore be taken into account for the purposes of the specific assessment of the distinctive character of the trade mark before the trade mark is registered.

34. The answer to the first four questions must therefore be that, in the context of Article 3(1)(b) of Directive 89/104, the assessment of the existence or otherwise of the distinctive character of a trade mark constituted by a surname, even a common one, must be carried out specifically, in accordance with the criteria applicable to any sign covered by Article 2 of the said directive, in relation, first to the products and services in respect of which registration is applied for and, second, to the perception of the relevant consumers. The fact that the effects of registration of the trade mark are limited by virtue of Article 6(1)(a) of that directive has no impact on that assessment.

97. Inherent in *Nichols* is a recognition by the ECJ that a surname which is widely known to be the surname of many different people is nevertheless registrable under article 3(1)(b) of the Directive, as long as it does not offend against any of the other absolute or relative grounds for refusal. By analogy, a company name that is known to be the name of more than one company is registrable under article 3(1)(b). So, too, the abbreviation for a quasi-religious cult whose name is shared by one or more other groups must be registrable. In each case, it may be that the others who share the surname or company name or cult name have some common connection with the trade mark applicant, or they may be totally unrelated, – even at loggerheads with the trade mark applicant. Perhaps the other individual, company or cult claims to have better rights to the name than the trade mark applicant. But those matters do not make the name unregistrable under article 3(1)(b) unless it can be shown to be non-distinctive by reference to the goods and services in respect of which protection is sought and to the average consumer of those goods/services.
98. During the course of the hearing, Mr Hacon accepted that, if an organisation other than the Applicant had used OTO in Mongolia in such a way that it would not have impinged on the consciousness of the average consumer in the United Kingdom, then it would not come into play (transcript, p.68 lines 6-10). But, he said, as soon as any third party use of OTO impinged on the consciousness of the average consumer, the Marks could no longer signify a single source of goods or services and were thereby devoid of distinctive character.
99. The fact that a mark does not signify a single source does not in itself make it lack distinctive character. Consider the mark BUDWEISER. It is a very distinctive mark, but it has two users and many consumers know that. While they continue to co-exist, consumers have to check which BUDWEISER beer they are buying, if they mind about the difference. There may also be some consumers who are unaware that there are two BUDWEISER beer companies. Either way, the mark remains distinctive.
100. Since I have concluded above that information about other users of OTO would not have impinged on the consciousness of the average consumer of the specified goods and services – whether defined broadly (as I believe it is correct to do) or narrowly (as a person interested in the occult) – Mr Hacon’s Mongolia concession is fatal to the Opponent’s case. I find that the Marks do not offend against section 3(1)(b) and I therefore overturn the Hearing Officer’s decision under that ground of opposition.

Section 3(1)(c)

101. The Hearing Officer did not deal with section 3(1)(c) because he had already found the Marks to be objectionable under sections 3(1)(a) and (b). Having reached the opposite conclusion under section 3(1)(b), and only a preliminary conclusion

under section 3(1)(a), I must go on to deal with the other two sections from scratch. Given the findings that I have already made, I can do this relatively briefly.

102. The public interest behind section/article 3(1)(c) is to ensure that descriptive terms relating to categories of goods or services in respect of which registration is applied for may be freely used by all and cannot be reserved to one undertaking by being registered as trade marks: *OHIM v Wm Wrigley Jr. Company (DOUBLEMINT)* [2004] RPC 18 at [31].

103. Like non-distinctiveness under section 3(1)(c), descriptiveness must be assessed by reference to the goods and services in the specification and by reference to the relevant average consumer:

It is necessary only to consider, on the basis of the relevant meaning of the word sign at issue whether, from the viewpoint of the public addressed, there is a sufficiently direct and specific relationship between the sign and the goods for which registration is sought.

(Case T-106/00 *Streamserve Inc v OHIM* [2003] ETMR 59 (CFI) at [40], confirmed as the correct approach by the ECJ's reasoned order in C-150/02P *Streamserve Inc v OHIM* [2004] ECR I-1461 (ECJ).)

104. The Opponent submitted that the average consumer would perceive the Marks as describing a kind of cult or a particular system of beliefs. I reject this submission on three grounds:

(1) First, I reject it on the ground that the parties themselves did not use the Marks in that way (and did not even use the full name *Ordo Templi Orientis* in that way), but used them as a name, or part of a name, for their respective organisation (as did *Albion O.T.O.* and *OTOF*).

(2) Secondly, I reject it on the ground that the average consumer would not have come across *OTO* before and so would have no information on which to base such a perception.

(3) Thirdly, even if the average consumer had come across the use of *OTO* by more than one group, he or she would not take the Marks as being descriptive of the goods or services themselves, but would simply realise that the goods/services emanated from one of the groups of which he was aware and – if it mattered to him/her which such group was involved – he/she would check first before making a purchase.

105. Accordingly, I conclude that the Marks are not objectionable under section 3(1)(c).

Section 3(1)(d)

106. Section 3(1)(d) only precludes registration of a mark where the signs or indications of which it is exclusively composed had become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration is sought, as at the application date: Case C-517 *Merz & Krell GmbH & Co v Deutsches Patent- und Markenamt* [2002] ETMR 21 (ECJ) at [31].
107. Once again, the Opponent's submission is essentially that OTO was a customary name for organisations that followed a particular set of beliefs. This submission can be tested against another ECJ case that refined the principle enunciated in *Merz & Krell*, which itself involved a three letter abbreviation or acronym, BSS, which stood for "balanced salt solution": T-237/01 *Alcon Inc v OHIM* [2004] ETMR 6 (CFI); C-192/03 P *Alcon Inc v OHIM* [2005] ETMR 69 (ECJ).
108. BSS was registered as a CTM in respect of "ophthalmic pharmaceutical preparations; sterile solutions for ophthalmic surgery". The Court of First Instance first identified the target public by reference to these goods, holding that it comprised medical specialists, particularly ophthalmologists and ophthalmic surgeons. Then, based on the evidence before it, which included chemical, medical and pharmaceutical dictionaries and scientific articles, the Court concluded that the term BSS was regarded by that target public as a generic term and, as such fell foul of article 7(1)(d) CTMR (the equivalent provision to article 3(1)(d) of the Directive/section 3(1)(d) of the Act). The ECJ held on appeal that the CFI had adopted the correct approach and, in particular, stressed that the decisive criterion was not the descriptive nature of the mark but its current usage in the relevant sector (at [28]).
109. In *Alcon*, the sign BSS was found to be a generic term for the specified goods themselves. That is quite different from the assertion in this case that the sign OTO is a generic term for a type of organisation which might want to issue the specified goods and services. Furthermore, BSS was found to be generic by reference to its usage in relevant dictionaries and articles to which the target public would have had access: every time BSS appeared, it meant the same thing – buffered salt solution, i.e. it was synonymous with the goods in the specification. In contrast, in this case, where OTO appears in the literature, although it is always an abbreviation for the words Ordo Templi Orientis, that does not always mean the same thing. It could mean the Applicant, or it could mean Typhonian OTO, or it could refer to the society that called itself Ordo Templi Orientis in the early 20th century. Whatever it means, though, it does not mean books or printed matter or religious education.
110. In any event, once again, the average consumer cannot be assumed to have had any idea what OTO stood for at the application date (in contrast to the medical

specialists in *Alcon*), even if (contrary to my finding) the average consumer were someone with an interest in the occult.

111. I therefore conclude that the ground of opposition under section 3(1)(d) also fails.

Proviso to sections 3(1)(b) to (d)

112. The proviso to sections 3(1)(b) to (d) of the Act is usually relied on by trade mark applicants wishing to persuade the Registrar that a sign that is prima facie descriptive or otherwise non-distinctive has acquired distinctiveness as a result of the use that has been made of it. In contrast, this case is about alleged acquired non-distinctiveness.

113. I have found the Marks to be acceptable under each of sections 3(1)(b) to (d) as at the application date, so the proviso does not come into play: use has already been taken into account.

Section 3(1)(a) revisited

114. In the light of my conclusions under sections 3(1)(b), (c) and (d) and the proviso, and following the guidance of the ECJ in *Philips v Remington* that there is no category of mark excluded by section 3(1)(a) which is not excluded by section 3(1)(b), (c) and (d) by virtue of their capacity to distinguish, I conclude that it must be the case that the Marks do not fall foul of section 3(1)(a). I therefore overturn the Hearing Officer's decision in that respect.

Section 3(6) – bad faith

115. I now turn to review the part of the Decision that related to the Opponent's allegation of bad faith.

116. The Hearing Officer was right to draw on the judgments of Lindsay J in *Gromax* and Sir William Aldous in *CHINAWHITE* (see paragraph 33 above), which remain the primary English authorities on the meaning of bad faith, but subject to one caveat. The extract from Sir William Aldous's speech that was set out in the Decision included a quote from Lord Hutton's judgment in *Twinsectra v Yardley* [2002] UKHL 12; 2 AC 164, which can be understood (and was understood by some commentators at the time) to mean that a person could only be found guilty of bad faith if he himself realised that his conduct would be regarded as bad faith by the ordinary standards of reasonable and honest people. That interpretation of Lord Hutton's judgment was ruled to be wrong in the subsequent Privy Council decision in *Barlow Clowes International Ltd v Eurotrust International Ltd* [2005] UKPC 37; [2006] 1 All ER 333, which confirmed that the subject's views on generally

acceptable standards of honest conduct was not part of the test that Lord Hutton had laid down.

117. From the way in which the Hearing Officer expressed his conclusion that “knowing about another’s use does not make adopting and registering [OTO] as your trade mark an act of bad faith”, there is no explicit acknowledgment that he factored in the Applicant’s belief in the honesty of its own behaviour. But the fact that he did not mention any of the cases following *CHINAWHITE* does leave one wondering if he might have done so. The Applicant had emphasised its belief that it was the “true successor” to the OTO fraternity which operated from the early 1900s, so – if the Hearing Officer thought that this could be taken into account under the *CHINAWHITE* test – it is possible that he placed some reliance on it.

118. The bad faith test was clarified by Professor Ruth Annand as Appointed Person in *AJIT WEEKLY Trade Mark* [2006] RPC, as follows:

[41]... an enquiry into a defendant’s views as regards normal standards of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element.

119. This approach was cited and relied on by Roger Wyand QC, sitting as a Deputy High Court Judge in *Jules Rimet Cup v The Football Association* [2007] EWHC 2376; [2008] FSR 10 (Ch) at [77], and also by Geoffrey Hobbs QC as Appointed Person in *Fianna Faill & Fine Gael v Patrick Melly* (BL O/143/08) at [53].

120. To summarise the guidance given by the English courts and United Kingdom Appointed Persons, one must ask what the Applicant knew when it applied to register the Marks (the subjective element) and whether, in the light of that knowledge, its decision to apply for registration would be regarded as in bad faith by persons adopting proper standards (the objective element). The applicable standard for the objective element of the test is acceptable commercial behaviour in the eyes of a reasonable and experienced person standing in the shoes of the Applicant. My job is to try to be that person.

121. Before I apply this test, I should mention that, although we do not yet have any guidance from the ECJ or CFI on the interpretation of bad faith as a ground of objection to a trade mark, a number of cases have been decided by the OHIM Boards of Appeal in relation to article 51(1)(b) CTMR, which provides for applications to be made for invalidity of a CTM filed in bad faith. See, for example: Case C000479899/1 *Sureness Pty Ltd v Multiple Marketing Ltd (BE NATURAL)*, 25 October 2000 and Case R 582/2003-4 *EAST SIDE MARIO’S*, 13 December 2004

(4th BoA). The OHIM approach seems to focus on two main categories of bad faith filing: those involving misuse of the trade mark system (which should be prevented in order to preserve the integrity of the system) and, more commonly, those involving “fraudulent misappropriation” (which should be prevented in order to protect a particular third party).

122. The Opponent’s case is somewhere between these two broad categories of bad faith identified by OHIM. Essentially, its objection is that the Applicant knew at the time of filing the Marks that there were other users of the name OTO who claimed to be entitled to continue such use, and that a reasonable and experienced person in the shoes of the Applicant would not have done this, given that they would thereby obtain a monopoly right which could be used against the other users.

123. This is not a “fraudulent misappropriation” type of case, where the complaining third party can be said to have better rights to the Marks. The Opponent’s claim to that effect under section 5(4)(a) was dropped. It is also hard to categorise it as a misuse or abuse of the trade mark system which needs to be prevented in order to preserve the integrity of the system. (An example of such a misuse/abuse that comes up from time to time in the United Kingdom is where an applicant knowingly makes a false declaration of intention to use a trade mark.) Given my finding that the Marks do not fall foul of section 3(1)(a) to (d), there is nothing about the Marks themselves that hints of “abuse”.

124. What of the argument that the Applicant will be obtaining a monopoly right that could be used to prevent the Opponent and others from using the term OTO? In the first place, it is not clear that the Applicant would be able to do so. The Act affords various defences that might apply. In the first place, the use of OTO as the name of an organisation may not amount to “use in the course of trade” or use “in relation to goods or services” as required by the infringement provisions in section 10. Secondly, there may be a descriptive use defence under section 11(2)(b) of the Act. (While I have held that the Marks are not descriptive of the goods and services for which the Applicant is seeking trade mark protection, that does not preclude the possibility that in certain circumstances the name OTO might be used descriptively by others.) Thirdly, there might be a defence based on earlier use in a particular locality under section 11(3). I say nothing about the merits of any such defence in a given situation, but I mention them because I do not think it is right to assume, as the Opponent claims, that neither it nor Albion OTO nor the OTOF would be able to use the name OTO again once the Marks were registered by the Applicant. Nor do I think that a belief by the Applicant that it is entitled to prevent such use would be sufficient to turn these into bad faith applications.

125. What the Applicant has done is to apply for a trade mark which is inherently registrable and has not lost distinctiveness through use in relation to the specified goods and services, and in respect of which no earlier third party rights have been asserted. In the light of the Applicant's belief in its claim to exclusive inheritance of the right to continue the Ordo Templi Orientis organisation, I can understand the Opponent's nervousness about this. But, as the notional reasonable and experienced person with the same knowledge of the circumstances that the Applicant has, I agree with the Hearing Officer's finding that such knowledge was not sufficient to make the application for the Marks an act of bad faith.

126. I therefore uphold the Hearing Officer's finding that the ground of opposition under section 3(6) fails.

Burden of proof

127. The conclusions I have reached are not dependent on evidential matters that are finely balanced. I therefore do not find it necessary to deal with the parties' arguments on burden of proof.

Conclusion

128. In summary: I have overturned the Hearing Officer's acceptance of the section 3(1)(a) and (b) grounds of opposition; I have considered the grounds under sections 3(1)(c) and (d), which were not dealt with at first instance, and have rejected them; and I have upheld the Hearing Officer's decision under section 3(6). The result is that the applications for registration of the Marks may go forward to grant.

Costs

129. Both sides confirmed to me after the hearing that they did not seek any order for costs other than on the usual scale. I shall simply reverse the costs order at first instance so that the Opponent must pay the sum of £2,000 to the Applicant. In relation to the appeal, I shall order the Opponent to pay an additional £1,500.



ANNA CARBONI

6 June 2008

The Applicant/Appellant was represented by Mr Andrew Nicol QC and Ms Fiona Clark, instructed by Barlin Associates.

The Respondent/Opponent was represented by Mr Richard Hacon, instructed by Saunders & Dolleymore.