

TRADE MARKS ACT 1994

IN THE MATTER OF Trade Mark Application Number: 2232411 in Class 25 in the name of Christopher Philip Ghazilian

DECISION

1. On 9th January 2001 Ms. Janet Folwell, the officer acting for the Registrar refused application No. 2232411 by a Mr. Ghazilian to register a trade mark in Class 25 in respect of various articles of clothing.
2. The trade mark in question consists of the words “Tiny Penis” and registration was refused under the terms of Section 37(4) of the Trade Marks Act 1994 because Ms. Folwell concluded that it failed to qualify for registration by reason of the provisions of section 3(3)(a) of the Act. Section 3(3)(a) of the Act provides as follows:

“A trade mark shall not be registered if it is –
(a) contrary to public policy or to accepted principles of morality”.
3. As its long title indicates, the Trade Marks Act 1994 was enacted, amongst other reasons, to implement Council Directive No. 89/104/EEC of 21st December 1988 to approximate the laws of the Member States relating to trade marks. Section 3(3) has its origin in Article 3(1)(f) of the Directive.
4. Similar provisions to section 3(3) have therefore been enacted in the other Member States and a like provision exists in Council Regulation (EC) No. 40/94 of 20th December 1993 in relation to the Community Trade Mark. (Article 7(1)(f)). The researches of Counsel have however failed to reveal any decision of any relevant court as to the correct interpretation of section 3(3)(a) or of its equivalent provisions.

5. Mr. Ghazilian elected to appeal to the Appointed Person pursuant to section 76 of the Act and at an earlier hearing I invited submissions as to whether a point of general legal importance arose in this case such that it would be right for me to refer this case to the High Court pursuant to section 76(3) of the Act. For the reasons given in my Decision of 19th September 2001 I concluded that there was a point of general legal importance involved but that it would be wrong to refer the case to the High Court since that would prevent Mr. Ghazilian proceeding with the appeal on the grounds of expense. I therefore directed that the hearing should be resumed before me at which I had the assistance of Mr. Engleman as Counsel for Mr. Ghazilian and of Mr. Alexander as Counsel for the Registrar.
6. Before considering the substance of Ms. Folwell's decision and the arguments on interpretation of section 3(3)(a), there are two preliminary matters that I must decide.
7. The first question is whether on an appeal from the Registry in ex parte, rather than inter partes proceedings, the appeal should be by way of rehearing or review. In South Cone Incorporated v. Jack Bessant ("Reef") (unreported 25th July 2001) Pumfrey J. held that in the context of an appeal to the High Court from the Registrar in opposition proceedings, the appeal should be by way of review not rehearing, consistent with the practice on an appeal to the Court of Appeal from the High Court. I accepted and applied that Judgment when sitting as the Appointed Person (See Royal Enfield Trade Mark – 27th July 2001). However I specifically left open the question as to the correct approach in ex parte proceedings where the position of the Registrar is that she is affirming an administrative decision of one of her officers made in the course of prosecution of the application.
8. Mr. Alexander, on behalf of the Registrar, submitted that in these circumstances it would be correct for an appeal to be by way of rehearing rather than review. I agree. That said however, in any rehearing, due weight will naturally be given to the decision of the Registrar whose hearing officers have extensive experience in dealing with trade mark matters.

9. Secondly, Mr. Engleman suggested that in reaching her conclusion Ms. Folwell had exercised a discretion and that it was therefore incumbent upon him to show that she had not exercised her discretion “reasonably” but “capriciously”. As I understand it, he was setting himself the well known high standard required for an appellate court to review the exercise of a discretion by an inferior court. Mr. Alexander submitted that a decision of the Registrar under section 3(3)(a) was not a discretionary matter but the exercise of a judgment. The words of section 3(3) are mandatory, the trade mark shall not be registered if it is contrary to public policy or to accepted principles of morality. The Registrar is given no discretion to register in circumstances where the registration is contrary to public policy or morality nor is she given a discretion to refuse in the opposite case. She has to reach a judgment as to whether or not the provisions of that subsection are offended against.
10. In my judgment Mr. Alexander is correct. No question of discretion arises. The Registrar must exercise her judgment and, on appeal, I must do likewise paying due regard to the reasons given for the Registry’s decision.
11. I turn then to the principles that should be applied in approaching that judgment. It is common ground on this appeal that the relevant aspect of section 3(3)(a) is the accepted principles of morality. No question of public policy arises. Although there has been no decision on the subsection or its equivalents, similar provisions existed under the previous law in both the Trade Marks Act 1905 and the Trade Marks Act 1938. Section 11 of the latter provided:

“It shall not be lawful to register as part of a trade mark any matter, the use of which would be contrary to law or morality, or any scandalous design”.
12. The leading decision on section 11 of the 1938 Act was the decision of Mr. Myall, acting as the Registrar’s Hearing Officer, in *Hallelujah* Trade Mark [1976] RPC 605. This was a decision which Ms. Folwell was referred to and which she applied. He stated:

“I conclude that the phrase “contrary to morality” falls to be considered by the generally accepted standards of today and not by those of “1938”. The difficulty is to be sure what those are, and more particularly, where the line is to be drawn between marks whose registration is prohibited by the section and those where it is not. When religious and moral standards are changing, sometimes quite rapidly, it seems to me that the Registrar should only follow where others have given a clear lead. While he must not remain isolated from the day to day world, frozen in an outmoded set of moral principals, he must equally not presume to set the standard. He must certainly not act as a censor or arbiter of morals, nor yet as a trend setter. He must not lag so far behind the climate of the time that he appears to be out of touch with reality, but he must at the same time not be so insensitive to public opinion that he accepts the registration a mark which many people would consider offensive. Mr. Myall also drew attention to a passage in Evershed J.’s judgment in La Marquise Footwear Inc.’s Application [1946] 64 RPC 27 when he stated

“I must wholeheartedly accept the proposition that it is the duty of the Registrar (and it is my hope that he will always fearlessly exercise it) to consider not merely the general taste of time, but also the susceptibilities of persons, by no means few in number, who still may be regarded as old fashioned and, if he is of opinion that the feelings or susceptibilities of such people will be offended, he will probably consider refusal of the registration. I should certainly hope, in taking, as I do in this case, a different view from him, I am in no way debasing the standing which, as a servant of the state, he should exercise and maintain in his jurisdiction”.

13. Mr. Engleman submitted, in substance, that the attitudes displayed in these two decisions were too restrictive and did not give a proper purposive interpretation to the language of the statute. He draw my attention to the decision of Aldous J. (as he then was) in Masterman’s Design Application [1991] RPC 89, a case which was

not cited to Ms. Folwell and also prayed in aid Article 10 of Schedule 1 of the Human Rights Act 1998 in so far as it provides:

- 1) *“Everyone has a right to freedom of expression ...*
- 2) *The exercise of these freedoms, since it carries with it duties and responsibilities may be subject to such conditions as are prescribed by law and are necessary in a democratic society..... for the protection of..... morals”.*

14. So far as concerns the former, it was, I believe, unfortunate that Ms. Folwell was not referred to the Masterman decision. Although it is a decision in a design case, the statutory enactment being considered by Aldous J. raised equivalent questions in that objection was taken to registration of a design of a doll which, in one view, displayed an imitation of male genital organs. Objection was taken to registration upon the ground that registration would contravene section 43(1) of the Registered Designs Act 1949 which provided:

43(1) “Nothing in this Act shall be construed as authorising, or requiring the Registrar to register a design, the use of which would, in his opinion, be contrary to law or morality”.

15. In reaching his decision, Aldous J. referred to the Hallelujah case and the observations of Evershed J. in the La Marquise Footwear case and concluded as follows:

“There can be no doubt that many designs, which could have shocked the public in the past, would not do so today and I believe it is right that, when exercising my discretion, I should take that into account. That discretion is unfettered, in the sense that it is not limited to any particular type of consideration but must be exercised on reasonable grounds. Each case must be considered separately taking into account all the circumstances. The question to be considered is whether there are real grounds for refusing the Applicant the proprietary right which would be given by registration.

The Superintending Examiner held that a not insubstantial number of persons were likely to be offended by the requested registration. I am not sure in what sense he was using the word "offended". Many designs would give offence to a not insubstantial number of persons, but those persons would consider that such designs should be given the benefit of protection. For instance, a design for a sculpture showing nudity or perhaps a scene involving bull fighting would be considered offensive by some persons, in the sense that they consider the design to be distasteful. However I do not believe that such persons would believe that such designs should be restricted in use nor that they should not be protected by law. There are, however, other designs of nudes which would be or tend to be pornographic, which would also give offence, and sections of the public would believe that they should not be for public display and should not have the protection of property rights provided by Parliament. A similar view would be taken of designs which had racist connotations. Thus I conclude that the test to be applied cannot be solely whether a section of the public would be offended. Such a conclusion would not, in my view, amount to a proper ground for refusing an applicant that proprietary right given by the Act

"I am of the view that guidance as to the principles upon which the Registrar must act when exercising his discretion can be derived from the purpose of the Act. The Registered Designs Act was enacted to encourage designers and to prevent others taking the fruits of their labour. Thus I should consider whether the design is of the kind that should be given the protection of the law including whether the design is of such a nature that its use would offend moral principles of right-thinking members of the public, such that it would be wrong for the law to protect it".

16. Aldous J. then applied these considerations to the facts of that case and stated as follows:

“The design for which registration is sought shows in sheet 5 a mimic of male genitalia. It does not arouse sexual feelings, nor is it likely to lead to any offensive behaviour. Some members of the public would find the doll offensive, in the sense that they would consider it was distasteful. Others would consider the doll to be amusing and in no way offensive. I cannot believe that any reasonable person would believe that dolls incorporating the design should not be freely sold. Such dolls, even if seen by children, would not have any adverse effect upon them. I suspect that the public would believe that such dolls were harmless, particularly when compared with toys used in violent play. Further, although Parliament has enacted legislation which restricts the dissemination of pornographic material, there is no legislation which would restrict the sale of dolls incorporating this design”.

17. Similar considerations apply to trade marks. As a general rule, a trader is free to adopt whatever trade mark he feels is best calculated to enhance the sale of his goods. If that trade mark qualifies for registration by reason of its inherent distinctiveness or has become distinctive by reason of its use, prima facie he is entitled to have the mark registered so as to protect his business from the competition of rival traders who adopt similar marks. If the goods are calculated to appeal to a certain section of the community such that the choice of a distasteful mark is, in that trader’s view, calculated to enhance sales, then so be it. The trader selects the mark, gains his customers and is entitled to protection.
18. I therefore propose to apply the reasoning of Aldous J. in Masterman particularly his direction to consider the concept of right-thinking members of the public when seeking to apply section 3(3)(a).
19. Further, I have concluded that there is a slight difference in approach between Aldous J. and Mr. Myall in Hallelujah which drew upon the observations of Evershed J. La Marquise. I prefer the approach of Aldous J. The interpretation placed by Mr. Myall on the language of Evershed J. may lead to an over cautious approach to section 3(3)(a).

20. Section 3(3) refers to “accepted principals of morality”. In any given social group, there are certain standards of behaviour or moral principals which society requires to be observed and there are standards of conduct which are widely shared. Society requires this so as to ensure that religious, social or family values are not unreasonably undermined. Accordingly it is right that in an exceptional case where the trade mark selected contravenes these standards it should be denied registration. Since however the primary objective of the system of registration of trade marks is to protect both traders and the public and since the system does not prevent a trader using a mark but merely denies him the protection of registration, it is only in cases where it is plain that an accepted principle of morality is being offended against that registration should be denied. Mere offence to a section of the public, in the sense that that section of the public would consider the mark distasteful, is not enough.
21. I turn then to Mr. Engleman’s submissions based on the Human Rights Act. It was, I believe, common ground that the right of freedom of expression would only be interfered with on the ground of the protection of morals insofar as there was a pressing social need for that interference. Mr. Alexander made the point that the refusal of registration of a trade mark could not be said to place any restriction on Mr. Ghazilian’s right of expression. He could continue to use the trade mark. I do not find it necessary to enter this debate. Section 3(3) indicates that the Registrar should refuse registration where the mark is contrary to accepted principals of morality. To redefine this as saying that he should only refuse registration where there is a pressing social need to do so, is, to my mind, merely a matter of words. The same principles are at work. There must be a clearly identified aspect of morality which exists and which would be undermined by the registration.
22. This does not however assist in defining the dividing line between cases where registration should be allowed or refused.
23. In his skeleton Mr. Alexander sought to assist me in this regard by reference to the Registry Work Manual and to the OHIM Examination Guidelines. The former are guidelines put forward by the U.K. Registry to assist practitioners and the latter are put

forward to indicate the approach which will be taken by OHIM (The European Trade Mark Registry) under Article 7(1)(f) of the Regulation.

24. The Registry Work Manual suggests that marks which encourage or promote drugs, counterfeiting, pornography, criminal activity, and the like would be refused under the provisions of section 3(3) as being contrary to public policy, whereas fairly mild bad language, fairly, or relatively inoffensive expressions and fairly mild slang expressions would not be considered to be contrary to accepted principles of morality. The OHIM Guidelines provide in paragraph 8.7 as follows:

“Words or images which are offensive, such as swear words or racially derogatory images, or which are blasphemous are not acceptable. There is a dividing line between this and trade marks which might be considered in poor taste. The latter do not offend”.

25. As a result of this Mr. Alexander suggested in his skeleton that the test should be whether use of the mark would cause offence to a section of the public. The section of the public, he said, must be sufficiently substantial. A likelihood of offence to a few particularly susceptible people would not suffice, although strong offence to a particular section of the public might do – for example a minority with strong religious beliefs. Poor taste, he accepted, would not suffice.

26. I find difficulty with the word “offence”. In *Masterman’s* design, Aldous L.J. held that some members of the public would find the doll offensive, in the sense that they would consider that it was distasteful. Nonetheless registration was permitted.

27. In his address to me Mr. Alexander refined this a little by submitting that the test must be:

“That a substantial number of reasonable people will be significantly offended”.

28. Whilst that is moving in the right direction, I do not believe it is an adequate direction.
29. Mr. Engleman, on the other hand, proposed a test which revolved around determining whether or not the words in question were vulgar. If they were, he contended that there should be a presumption against registration unless the applicant could adduce evidence that, in context, the vulgarity was not such as to cause disproportionate offence whereas if the words used were not vulgar, the contrary would apply. I cannot accept this. There are a number of well known euphemisms for a penis which would be considered vulgar; cock, dick, prick, tool, willy. I do not believe that any fundamentally different considerations should apply in assessing whether the marks “tiny penis” should be registered than would apply to the marks “tiny tool” or “big dick”.
30. In my judgment the matter should be approached thus. Each case must be decided with on its own facts. The dividing line is to be drawn between offence which amounts only to distaste and offence which would justifiably cause outrage or would be the subject of justifiable censure as being likely significantly to undermine current religious, family or social values. The outrage or censure must be amongst an identifiable section of the public and a higher degree of outrage or censure amongst a small section of the community will no doubt suffice just as lesser outrage or censure amongst a more widespread section of the public will also suffice.
31. Aldous J. in *Masterman* invoked the concept of right-thinking members of the public. I believe this is a helpful approach. A right-thinking member may himself or herself not be outraged but will be able, objectively, to assess whether or not the mark in question is calculated to cause the “outrage” or “censure” that I have referred to amongst a relevant section of the public. This is the function of the Hearing Officer. The matter must be approached objectively. It does not matter whether the Hearing Officer finds the mark personally unacceptable.
32. It seems to me that this degree of offence is what OHIM had in mind when writing their guidelines. Section 3(3) is not concerned with political correctness, it is concerned with principles of

morality, a different and less readily invoked standard. The Registrar's Hearing Officers cannot be expected in all cases to form a view without the assistance of evidence. This does not mean that they must have evidence. They are entitled to draw upon their own knowledge of words and upon their own perception of the way in which those words can be used without offending against public morality. They must however be careful not to allow their personal views to deflect them from approaching the matter on the basis of the "right-thinking" person.

33. In the present case Ms. Folwell did not have the assistance of evidence. Before me Mr. Engleman, on behalf of Mr. Ghazilian, sought to adduce some evidence and for the reasons given in my previous decision I admitted three witness statements.
34. The first is a statement of Maureen Moore who has for many years been a child care worker in a pre-school for children aged from 2½-5 years old. She gives detailed evidence as to the way in which parents have come to be assisted in explaining sexual matters to children from an early age and exhibits a number of books each of which teaches the use of correct anatomical terms for human genitalia. As a result she deposes to the fact that use of the word "penis" could not cause any offence when speaking with under-fives or their parents.
35. This use confirms my own experience. The word penis is a well known anatomical term. It is used widely as a proper description of the male member, particularly in medical and reproductive contexts. Outside those contexts it is not a word in wide use and it is notable that rather than using the word penis as a colloquial reference to the male member, over the years a number of euphemisms, such as those set out above, have been coined and have become to be used as part of slang vernacular. Society has thus chosen, as part of its family values, to reserve use of the word penis to use in a serious context.
36. Mr. Ghazilian is not seeking to use the word penis in this way. He is using it as a trade mark to indicate the origin of his clothing. The fact that children and adults will recognise the word penis as part of the trade mark as indicating the male member is inevitable. The

question is whether and to what extent that recognition will cause offence.

37. The second witness statement is from David Moore, Mr. Ghazilian's patent agent, who has carried out a search of the Advertising Standards Authority website and exhibits the relevant extract of the advertising code relating to decency. This code, so far as relevant, states as follows:

5.1. "Advertising should contain nothing that is likely to cause serious or widespread offence. Particular care should be taken to avoid causing offence on the grounds of race, religion, sex, sexual orientation or disability. Compliance with the Code will be judged on the context, medium, audience, product and prevailing standards of decency.

5.2. Advertisements may be distasteful without necessarily conflicting with 5.1 above. Advertisers are urged to consider public sensitivities before using potentially offensive material.

5.3. The fact that a particular product is offensive to some people is not sufficient grounds for objecting to an advertisement for it."

38. It will be seen that this Code's approach equates with the approach that I have concluded is proper for the Registrar to adopt. This does not mean that an adjudication by the Advertising Standards Authority that a particular complaint is not to be upheld means that an equivalent trade mark should be registered or vice versa. Different considerations may apply. A trade mark can be used in any medium in any public place. An advertisement may be limited to a particular medium at a particular time and directed to a particular audience. I therefore do not believe that any great assistance is likely to be obtained from adjudications of the Advertising Standards Authority and certainly I do not see that any assistance can be obtained in reaching a decision in this case.

39. The third witness statement is from Mr. Ghazilian himself. He has been trading in clothing in the Tiny Penis range for some 3 years. He estimates that his trade under this trade mark produces an

approximate annual turnover of £250,000. The Tiny Penis range has been advertised in national magazines such as “Loaded”, “Healthy You”, “Manchester United F.C. Magazine”, “Max Power”, “Bad Street Hero’s”, “Front and Total Film”. This however does not carry matters much further since no details are given to the nature of the magazines or as to the type of reader. However the advertisements contain the wording

“Tiny Penis. The Worlds Most Outrageous T-Shirts”.

40. I do not believe that it is in dispute that Mr. Ghazilian has adopted the trade mark “Tiny Penis” with a view to attracting purchasers from that section of the public who do not take life too seriously and will thus find the trade mark to be humorous rather than offensive. This is confirmed by a survey which Mr. Ghazilian conducted with his customers as to their perception of the trade mark. A selection of answers, I believe, speaks for itself:

“Great Fun – original”, “Way Cool!!”, “Flamin [sic] Fantastic”, “Dam [sic] Good – need explicit pics”, “Fucking Great”.

41. As one might expect, it is plain that the purchasers of these T-Shirts are not themselves offended. They regard the trade mark as a laugh and either do not think or do not care whether the trade mark causes offence to others. I do not see that this evidence helps me at all save to confirm what I think must be the automatic reaction of the “right thinking person” that some people will think of the mark as an arresting mildly humorous mark, others will think of it as being smutty, vulgar or in bad taste but giving them no cause for concern, and others will think of it as positively offensive.

42. What the Registrar has to assess is how offensive to how many people.

43. In reaching her conclusion Ms Folwell stated as follows:

“Turning now to the application at issue, I consider that use of the ordinary dictionary words “Tiny Penis” when used in a proper descriptive context are not words that would, or

should cause offence to the vast majority of persons in the U.K. But the Applicant seeks to use these words not in an ordinary descriptive context, but as a means of differentiating products in the course of trade. Consequently, these words could appear on signs in shop windows, advertisement boards in public places and on labels on clothing and accessories. I can only think that such a phrase has been chosen purely as a means to appeal to only a proportion of the purchasing public, namely the market segment identified for the goods on offer. However bearing in mind that the goods applied for are items which could be on display in public places for all members of the general public to view, I consider that the trade mark will cause offence to a substantial proportion of the purchasing public who will, without any choice, be exposed to the words TINY PENIS out of context. I am exercising my own judgment on this issue based upon my belief of the generally accepted mores of today. In the same way that case law under the 1938 Act (as amended) guides us towards a cautious but realistic approach in considering marks that could offend a substantial proportion of the public today, I believe that the meaning of section 3(3)(a) of the Trade Marks Act 1994 is such that the Registrar should not test the boundaries of acceptability by denying registration only to what can clearly be regarded as the most shocking and outrageous of expletives”.

44. Mr. Engleman criticised this reasoning in a number of respects. First and foremost he suggested that Ms. Folwell was exercising her own subjective judgment rather than approaching the matter objectively. I do not believe that she was. She expressly related her judgment to her belief of the generally accepted mores of today. I believe that is a correct approach. She is not stating what her own view is, she is seeking to assess the view objectively.
45. Secondly he criticised her for asking whether the mark could offend a substantial proportion of the public of today without defining what she meant by the word offence. For the reasons I have given I do not believe that the word “offend”, without qualification, is a helpful word to use in this context. I am left in doubt as to what

sort of offence Ms. Folwell was considering. This is particularly important when one bears in mind that she did not have the advantage of considering the reasoning of Aldous J. in the Masterman case.

46. Thirdly, Mr. Engleman submitted that Ms. Folwell was considering too low a degree of offence and that this was indicated by her reference to “a cautious but realistic approach”. I have concluded that there is substance in this. For the reasons given in paragraph 18 above, I have concluded that Ms. Folwell’s approach, which followed that set out in the Hallelujah case, might well have been over cautious.
47. Accordingly I cannot merely adopt the reasoning and approach of Ms Folwell as being correct. I intend therefore to apply my own reasoning.
48. Mr. Ghazilian has been using the word penis as part of the slang vernacular in a way in which many people would not. I must contemplate the use of the words Tiny Penis in television advertisements going out before the general public, in advertising bill boards in public places, perhaps even on the side of the well known Clapham omnibus. I do not doubt that a very large section of the public would find this distasteful but that is not enough. Would they be outraged? Would they feel that the use should properly be the subject of censure? I have found this a difficult question to answer. 20 or 30 years ago the answer would have been clear. The accepted principles of morality change with time.
49. Placing myself in the shoes of the “right-thinking” member of the public in the way I have indicated above, I have concluded that this trade mark would cause greater offence than mere distaste to a significant section of the public. The offence resides in the fact that an accepted social and family value is likely to be significantly undermined. This value lies in the belief that the correct anatomical terms for parts of the genitalia should be reserved for serious use and should not be debased by use as a smutty trade mark for clothing.

50. Accordingly I have reached the conclusion that the Registrar was justified in refusing registration on the basis that registration would be contrary to an accepted principle of morality. This appeal will be dismissed. In accordance with the usual practice there will be no order as to costs of the appeal.

Simon Thorley Q.C.
28th November 2001

1 I turn then to consider the question of costs. As Mr. Morgan
2 has made plain, it is most unusual for the registrar to seek
3 an award of costs in his favour even when successful in an ex
4 parte appeal. However, he points to the fact that this is an
5 exceptional case. It is exceptional because of the lateness
6 of the applications to amend and to file further evidence.

7 I thought I had made it clear in my decision in
8 COFFEEMIX that conduct of this sort is simply unacceptable.
9 In so far as I did not in that judgment use sufficiently
10 harsh language to make it plain to the profession that the
11 way in which the appointed persons carry out their business
12 cannot accommodate late applications of this sort, I have
13 done so in this case by referring to the conduct as being
14 monstrous. The sooner those in the profession are aware that
15 serious consideration must be given at the time of the
16 entering of the Notice of Appeal to the way in which the
17 appeal is going to be conducted, the better.

18 I cannot accede to Mr. Engelman's suggestion that I
19 should be lenient on his client because his client is in a
20 small way of business. Where the client is in a small way of
21 business it is even more incumbent upon his advisers to
22 ensure that he does not expose himself to the possibility of
23 costs orders caused by delay.

24 Nonetheless, in reaching a conclusion on this aspect of
25 the case, I do take into account the fact that Mr. Ghazilian

1 is in a small way of business and that a substantial award of
2 costs would be unjust.

3 In those circumstances, I propose to make an order that
4 Mr. Ghazilian do in any event, regardless of the outcome of
5 the appeal, pay to the registrar the sum of £250 by way of
6 costs arising out of the time that has been taken up and
7 wasted in this hearing today and in the adjournment of it.

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THE PATENT OFFICE

Harmsworth House,
13-15 Bouverie Street,
London EC4Y 8DP.

Wednesday, 19th September 2001

Before:

MR. S THORLEY QC
(Sitting as the Appointed Person)

- - - - -

In the Matter of The Trade Marks Act 1994

- and -

In the Matter of Trade Mark No. 2232411 in the name of
CHRISTOPHER PHILLIP GHAZILIAN

- - - - -

An appeal to the Appointed Person from the decision of Ms J
Folwell, acting on behalf of the Registrar, dated 9 January
2001.

- - - - -

(Transcript of the Shorthand Notes of Marten Walsh Cherer
Ltd, Midway House, 27/29 Cursitor Street, London EC4A 1LT.
Telephone No: 020 7405 5010. Fax No: 020 7405 5026.)

MR. M. ENGELMAN (instructed by Messrs Jensen & Son) appeared as
Counsel on behalf of the Appellant.

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JUDGMENT
(As approved)

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1 This is an appeal to the Appointed Person from a
2 decision of Janet Folwell given on 9 January of this year. It
3 relates to an application by Mr. Ghazilian made on 13 May
4 2000 to register, in respect of certain clothing in class 25,
5 the word mark Tiny Penis.

6 Objection was taken to registration under the
7 provisions of section 3(3)(a) of the Act which reads, "A
8 trade mark shall not be registered if it is - (a) contrary to
9 public policy or accepted principles of morality."

10 There was a hearing before Ms Folwell and submissions
11 were made by Mr. Moore of Jenson & Son, the agents acting for
12 Mr. Ghazilian.

13 Mr. Moore commended to the hearing officer the decision
14 of Mr. Myall in the Hallelujah trade mark case [1976] RPC 605
15 and also the decision of Mr. Justice Evershed in La Marquise
16 Footwear Inc's application (1946) 64 RPC 27.

17 Ms Folwell refused to allow the application to proceed
18 to registration. Put very simply, she reached the conclusion
19 that the trade mark would cause offence to a substantial
20 proportion of the purchasing public and that therefore it
21 appeared to fall foul of section 3(3)(a).

22 A Statement of Grounds of Appeal was served on 5
23 February 2001. Paragraph 4 read as follows, "We agree with
24 the hearing officer that the general principle set down in
25 the Hallelujah decision, namely, that morality should be

1 judged by the standards of today, in other words, the date of
2 application, is correct."

3 Under section 76 of the Act, which gives a party who
4 had failed in any proceeding before the registrar a right of
5 appeal either to the appointed person or to the Court, an
6 obligation is placed upon the appointed person under section
7 76(3) to consider whether or not the appeal should be
8 referred to the Court. Section 76(3) reads as follows:
9 "Where an appeal is made to the appointed person he may refer
10 the appeal to the Court if - (a) it appears to him that the
11 point of general legal importance is involved; (b) the
12 registrar requests that it be so referred, or (c) such a
13 request is made by any party to the proceedings before the
14 registrar in which a decision appealed against was made.
15 Before doing so the appointed person shall give the appellant
16 and any other party to the appeal an opportunity to make
17 representations as to whether the appeal should be referred
18 to the Court."

19 Rule 64 made pursuant to section 76 provides in simple
20 terms that a period of 28 days should apply for the registrar
21 or any other party to the proceedings to seek a reference,
22 and also provides that where the appointed person himself
23 considers that a reference may be desirable, that a period of
24 28 days should be allowed for all the parties and the
25 registrar to make representations whether or not the appeal

1 should be referred.

2 On the basis of the grounds of appeal as served, no
3 application was made by the registrar for the appeal to be
4 referred to the Court, and when I came to consider the
5 papers, although I could see the possibility that a question
6 of law of importance might arise, it did not arise on the
7 pleadings in this case since there was no dispute that the
8 Hallelujah decision represented the correct approach. I
9 therefore did not see fit to suggest that representations as
10 to a reference should be made.

11 Matters however changed. Mr. Engelman, who has appeared
12 before me on behalf of Mr. Ghazilian, very frankly told me
13 that he had only recently been instructed and as a result of
14 his being instructed he had advised both that the grounds of
15 appeal should be amended and that an application should be
16 made to adduce evidence on the appeal.

17 I turn first to the application to amend the grounds of
18 appeal. It is quite plain, from reading this document, that
19 the bland agreement contained in the original grounds of
20 appeal that the Hallelujah case represented the way forward,
21 is being withdrawn. Reference is made to a design right case,
22 Masterman's Design (1991) RPC 89 where Mr. Justice Aldous, as
23 he then was, allowed the registration of a design for a toy
24 wearing a kilt under which were male genitalia. He has also
25 drawn attention to marks which have been accepted, such as

1 the words "Brewer's Droop."

2 It is plain from the amended grounds that he seeks to
3 raise a substantive question of the correct legal approach to
4 the interpretation of section 3(3)(a).

5 This amendment is dated 7 September and was forwarded
6 to me under cover of a letter of 14 September. When I saw
7 that it was plain to me that this appeal was going to raise
8 head-on the correct approach to the interpretation of section
9 3(3)(a), and it appeared to me that there was no previous
10 authority either in this country or elsewhere in the
11 community as to the correct interpretation of that section or
12 its equivalent in the directive. I therefore indicated last
13 Monday (the 17th) that consideration should be given to the
14 question of whether or not there should be a reference.
15 There was no application for an adjournment and the matter
16 came on for hearing before me today.

17 The first question that I have to decide is whether or
18 not I should allow the amended grounds of appeal to be put
19 forward, because if I do not the appeal can proceed on the
20 existing grounds which relate only to Hallelujah.

21 In a previous decision of mine, COFFEEMIX (1998) RPC
22 717, I considered at some length the structure of the rules
23 so as to determine the circumstances in which an amendment of
24 grounds of appeal should be allowed. I pointed to the
25 importance of a full statement of grounds of appeal,

1 statement of case being served pursuant to rule 57 at an
2 early date. Precisely the difficulties that have occurred in
3 this case will occur if parties do not put in full and
4 reasoned statements of grounds of appeal at the right date.
5 What has happened in this case is to my mind wholly
6 monstrous. The matter could and should have been decided
7 today. Had it been necessary for amended grounds of appeal
8 or evidence to be put forward, they could and should have
9 been put forward at a significantly earlier date. However, I
10 must approach matters as they are and I can deal with any
11 disquiet by considering appropriate orders as to costs.

12 Mr. Engelman pointed out, quite correctly, that the
13 amended grounds of appeal raised important questions and that
14 it would not, in his submission, be doing justice to the
15 importance of the matter if I declined to allow the
16 amendment. It would, he said, I believe correctly, that it
17 could cause this appeal to be approached on the wrong basis
18 leading possibly to the necessity of a further application
19 (if I were to uphold the decision) when the question of law
20 would have to be considered.

21 Taking all these matters into account, I indicated
22 earlier today that I would be prepared to allow the
23 amendment. I particularly took into account the fact that
24 the registry did not oppose that course. Accordingly, I allow
25 the amended grounds of appeal to be put forward.

1 I turn then to the evidence. Mr. Engelman made it
2 quite plain that there was no reason why this evidence could
3 not have been produced before the hearing before the
4 registrar. He drew my attention in his amended skeleton to
5 the now familiar bases which one is directed to consider
6 whether to allow further evidence to be adduced. The two
7 factors that he drew to my attention as being material here
8 related to the nature of the mark and the nature of the
9 objections to it, coupled with the potential significance of
10 the new evidence. He submitted that the nature of the mark
11 raised very important policy considerations and that the
12 nature of the objections were important. This I accept.

13 The potential significance of the new evidence can be
14 indicated by considering each of the four potential
15 statements in turn. I start with the statement of Mr.
16 Ghazilian himself. He gives evidence that he has sold on
17 average 200 units from the Tiny Penis range every day during
18 the summer season at a price of about £10 per unit without
19 any adverse response or complaint from his customers. He has
20 been doing this for at least 3 years, and the turnover in
21 this range is at present some £250,000 a year. He has also
22 advertised his range in national magazines such as Loaded,
23 Healthy You, Manchester United Football Club magazine and so
24 on. With the exception of Loaded, the advertisements have
25 been placed at the request of the publications. This is

1 evidence which plainly could and should have been before the
2 registrar, but equally it is evidence that may be important
3 in reaching a conclusion under section 3(3).

4 The second witness statement is of David Simon Moore,
5 the chartered patent attorney from Jenson & Sons who has
6 conduct of the case. He has done some research into the
7 advertising code relating to decency and exhibits part of the
8 advertising code relating to decency. He particularly refers
9 to a complaint relating to the use of the expression "shag
10 me" in advertisements in various women's magazines for
11 shampoo; a complaint which was rejected.

12 Mr. Engelman suggested that the attitudes of the
13 advertising industry to the use of expressions such as Tiny
14 Penis might be of assistance to the registrar and to me on
15 appeal in reaching a conclusion as to the correct approach to
16 section 3(3). I agree.

17 Next there is a witness statement from Maureen Brenda
18 Moore who is a retired childcare worker who has worked in a
19 preschool from 1973 to 1998 initially as an assistant and for
20 the last 15 years as a supervisor. Her preschool catered for
21 children from the ages of 2 and a half until 5 years old. She
22 gives evidence as to the way in which children are instructed
23 in sexual matters. She exhibits passages from various
24 teaching aids which are available to parents and children
25 and, as a result of that, concludes by giving her view that

1 the word "penis" could not cause any offence when speaking
2 with the under 5's or with their parents or carers.

3 Finally, there is a statement from a Mr. Evans, who is
4 an independent trade mark agent, having no connection with
5 the applicant, who gives his opinion as to the reaction of a
6 consumer on seeing the Tiny Penis trade mark. I do not
7 believe there is any justification for the evidence of Mr.
8 Evans being put before the Tribunal. It cannot assist to have
9 the evidence of one person as to what he thinks.

10 Mr. Engelman accepted that the mark Tiny Penis could
11 evoke in some consumers the reaction of Mr. Evans that it was
12 mildly humorous, that it could to others evoke the reaction
13 that it was smutty, and to others it could be extremely
14 offensive.

15 I do not believe that any Tribunal is going to be
16 assisted by Mr. Evans' evidence.

17 The evidence of the other three witnesses falls into a
18 different category. I believe this evidence could and should
19 have been before the registrar and would beneficially be
20 before anybody faced with making a decision under section
21 3(3).

22 Despite the lateness, I believe it is right to admit it
23 again subject to a cost penalty.

24 Mr. Morgan, who appeared for the registry, informed me
25 that the usual practice in circumstances such as this, where

1 further evidence is allowed to be adduced before the
2 appointed person, was that consideration should be given to
3 remitting the matter back to the trade mark registry for the
4 registry to give its view on matters.

5 Undoubtedly there is a power in this tribunal to remit
6 a matter in appropriate circumstances. I do not believe that
7 it is correct that wherever new evidence is admitted that it
8 would be either necessary or right to remit matters to the
9 registry. Each case must be taken on its own facts. The
10 analogy with the Court of Appeal admitting new evidence and
11 ordering a retrial is a clear one.

12 I have considered very carefully whether it would be
13 right to remit this case to the registry for their views. I
14 have concluded that it should not be remitted. There is no
15 question of the cross-examination of these witnesses. Mr.
16 Morgan indicated that the registry would not themselves be
17 putting in further evidence.

18 Whilst the appointed person values enormously the input
19 of the registry in reaching a decision, I believe that the
20 questions that arise here as to the correct interpretation of
21 section 3(3) are going to arise in any application such as
22 this. The best judgment that I can make is that a remission
23 in this case would result in a further appeal back to this
24 tribunal. Whilst whoever heard that case would be in the
25 happy position of having a further recent decision from the

1 registry, I do not believe that that course can be justified
2 as a matter of proportionality having regard to the time and
3 expense that would be incurred.

4 In the circumstances of this case, therefore, I do not
5 propose to remit this case to the trade mark registry.

6 That brings me to the question of a reference. As
7 indicated, I raised this on Monday. There has therefore been
8 no opportunity for the rule 64 of the trade mark rules to be
9 complied with. Mr. Engelman waived any right that his client
10 might have to have a period of 28 days to consider the
11 matter. Mr. Morgan took no point on behalf of the registrar.

12 In these circumstances I believe it is appropriate to
13 abridge the timing of 28 days under rule 64(4) to a rather
14 more limited period of 2 days. This does, however, heighten
15 one's concern as to the failure of Mr. Ghazilian's
16 representatives to act sufficiently rapidly and to leave
17 matters to the period immediately prior to the appeal.
18 Nonetheless, Mr. Engelman has put forward a substantial
19 skeleton argument dealing with this matter. I am satisfied
20 that he has dealt with it fully.

21 Mr. Engelman opposed a reference, treading a fairly
22 narrow ground between relying on the importance of the issue
23 for the purpose of achieving amendment and the admission of
24 further evidence whilst seeking to argue that the issue was
25 not so important that it constituted a point of general legal

1 importance pursuant to section 76(3).

2 Mr. Morgan was more forthright and submitted that in
3 the light of the amended grounds of appeal that there was now
4 a point of law of general legal importance raised.

5 I do not intend to go into detail as to why I have
6 concluded it is a point of general legal importance. It is
7 sufficient to acknowledge that section 3(3)(a) has its origin
8 in the directive and that, to the knowledge of everybody
9 appearing before me and my own, no decision has been made in
10 any court as to the correct approach to that provision. Of
11 course there are equivalent provisions both in the earlier
12 Trade Marks Act and in equivalent legislation, such as the
13 Registered Designs Act from which much assistance can be
14 obtained. The registrar and practitioners however need
15 specific guidance as to how the trade mark registry is going
16 to approach marks which raise questions of public policy or
17 morality of which Tiny Penis is undoubtedly one.

18 I have no hesitation in concluding that a point of
19 general legal importance is involved in this appeal. The
20 question therefore is whether I should make a reference.

21 Mr. Engelman referred me to a previous decision of
22 mine, Academy Trade Mark (2000) RPC 35, in which I drew upon
23 the observations of Matthew Clarke QC, acting as one of the
24 appointed persons in AJ and M A Levy's Trade Mark (1999) RPC
25 291. I stated as follows:

1 "In that Decision, Mr. Clarke referred to the court the
2 question of whether there was a residual discretion under
3 section 46(1) of the 1994 Act to allow a trade mark to remain
4 on the register in a case where there had been no genuine use
5 of the registered trade mark and no proper reasons had been
6 established for its non use. Mr. Clarke stated:

7 'At the hearing before me, Mr. J Pennant, agent for the
8 applicant submitted that the appeal should not be referred to
9 the High Court. He emphasised that his client was a private
10 individual who had deliberately elected to use the appeal
11 procedure for the appoint person under Section 76 of the 1994
12 Act so that a quick, final and relatively inexpensive
13 decision on the matter of revocation could be obtained. If
14 the matter were now to be referred to the High Court, that
15 objective could be defeated since there would then be the
16 prospect of further appeals and possible reference to the
17 European Court of Justice, with all the attendant additional
18 costs and delay that would involve. (It would of course be
19 competent for the appointed person if so advised to refer the
20 issue to European Court of Justice). Mr. Pennant stressed
21 that there would be many new questions of law arising from
22 the provisions of the 1994 Act and it would be appropriate
23 that the appointed person should seek to deal with these as
24 and when they arise.'

25 Mr. Clarke then went on to cite section 76(3) and

1 continued:

2 'On my reading of those provisions, even if the
3 appointed person himself did not consider that a point of
4 general legal importance is involved, he may refer the appeal
5 to the Court where a request is made by either the Registrar
6 or one or the parties, after he has heard representations
7 relating thereto. Having said that, I am firmly of the view
8 that the power to refer under section 76 should be used
9 sparingly, otherwise the clear object of the legislation to
10 provide a relatively inexpensive, quick and final resolution
11 of appeals by a specialist tribunal would be defeated.
12 Moreover, I am of the opinion that it will normally be a
13 matter of particular significance if the registrar requests
14 the Appeal to be referred because he considers that it raises
15 a point of general legal importance.'

16 In that case Mr. Clarke directed that the appeal be
17 referred to the Court because the question of residual
18 discretion was not the subject of any authoritative guidance
19 and because it raised an issue of wide general importance.
20 It should be noted that he rejected an attempt by counsel to
21 raise an additional ground for reference as follows:

22 'Counsel also attempted to persuade me that there was
23 another reason why the appeal should be referred to the High
24 Court and that was that the Hearing Officer had concluded
25 that there had been no genuine use by the registered

1 proprietors of the mark in respect of cigarettes. His
2 clients wished to challenge that decision having regard to
3 the evidence that they had placed before the Hearing Officer.
4 I should make it clear that I would not have decided to refer
5 this appeal to the High Court simply to enable that point to
6 be raised.'

7 I accept and intend to apply the principles set out by
8 Mr. Clarke. Whilst it is not essential for a reference that
9 a point of general legal importance is identified, the power
10 to refer should be used sparingly and I anticipate that it
11 will be rare in the extreme that a reference is made in
12 circumstances where a point of general legal importance
13 cannot be identified. The attitude of the Registrar is
14 important but not decisive. The Registrar's officers have
15 considerable day to day experience in matters relating to
16 trade mark registrations and applications for revocation.
17 Their views as to whether a particular point is a point of
18 general legal importance should be given great weight.

19 So also should consideration be given to the views of
20 the party not seeking to refer. The relative importance of
21 cost and expense to that party should be taken into account.
22 Where that party is a large corporate entity, the necessary
23 cost and expense of legal advisers is, perhaps, of less
24 significance than in the case were the party in question is
25 an individual or a small company or partnership which has not

1 gone and does not wish to go to the expense of employing
2 legal advisers.

3 Finally I believe it is proper to have regard to the
4 public interest. There are plainly two conflicting public
5 interests. One is the public interest in having the
6 uncertainty of a pending application for a trade mark or a
7 pending application for revocation disposed of finally at the
8 earliest possible date, so that not only the parties but
9 rival traders may know the state of the Registrar, but,
10 equally, there is a public interest that important points of
11 law are decided by the higher courts."

12 Turning to the facts of this case, I have here held
13 that a point of general legal importance is involved. The
14 attitude of the registrar is that there should be a
15 reference. This is plainly important and is a matter that
16 should be given great weight.

17 I must also give consideration to the views of Mr.
18 Ghazilian. Mr. Ghazilian is an individual. Whilst I do not
19 have precise details of his means of turnover, he has only
20 apparently one outlet. Mr. Engelman, in his skeleton in
21 paragraph 11, makes it plain that the appellant as an
22 individual has sought to appeal to the appointed person for
23 the purpose of sheltering under the protective cost regime
24 available within this jurisdiction and indicated that if the
25 matter were to be referred the appellant might be forced to

1 drop the appeal. I pressed him on this and asked him to take
2 express instructions from his client. There was an
3 adjournment for this purpose. Having taken instructions, Mr.
4 Engelman informed me that if the matter were to be referred
5 his client would, as a matter of economics, have to drop this
6 appeal and give consideration to filing a new application.

7 In the current state of the law it is highly likely
8 that the registrar would feel obliged to reject the
9 application which would then result in an appeal, obviously
10 an appeal to the High Court, being necessary before the
11 matter could be resolved in Mr. Ghazilian's favour unless of
12 course somebody else had the misfortune to have to take the
13 matter to the Court first.

14 This state of affairs places me in great difficulty. I
15 would welcome the views of the High Court on this matter. I
16 believe it is a matter in which practitioners need and
17 deserve the assistance of the High Court, but I am concerned
18 that a reference at this stage will simply have the affect,
19 in the light of Mr. Ghazilian's position, of leaving the
20 matter uncertain until somebody else does come along.

21 I have concluded that whilst my views on this matter
22 may not be as authoritative as those of the High Court and
23 therefore may not be of as great assistance to practitioners
24 as would be a decision of the High Court, it is probably
25 better that the practitioners and the registry have my views

1 rather than having no views.

2 In those circumstances, I do not propose to refer the
3 matter to the High Court. However, I do not propose to
4 continue this hearing today. The question of law is one of
5 importance. I think it is right that the registrar should
6 have the opportunity of considering both the amended grounds
7 of appeal and the evidence which I have admitted and of
8 considering whether, at any subsequent hearing, they would
9 wish to be represented by counsel.

10 I propose therefore to adjourn this hearing to a date
11 to be fixed I hope not too far away, when the substantive
12 question of the correct approach to section 3(3), in the
13 light of the facts of this case, can be made.

14 Accordingly, my decision today is that permission will
15 be given to amend the grounds of appeal and leave will be
16 given to admit the evidence of Christopher Ghazilian, David
17 Moore and Maureen Moore, but not that of David Evans. Mr.
18 Morgan's application for remission to the registry is
19 refused. There will be no reference to the Court.

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