

ACPNS LEGAL CASE REPORTS SERIES

This series compiles short summaries of significant cases involving charitable, philanthropic, nonprofit and social enterprise organisations in Australia and overseas.



Steven Penson v Aquarian Foundation Inc [2022] ATMO 115

Australian Trade Marks Office, Delegate Blake Knowles, 13 July 2022

Whether a trade mark for a religious organisation could be registered.

Key words: Trade Mark, Australia, Religious Entity, Class 45 Trade Mark

1. The Aquarian Foundation Inc (the applicant) filed an application for the trade mark 'Aquarian Foundation' (Trade Mark) within [Class 45](#): Conducting religious ceremonies; Ministerial services (religious); Organization of religious meetings; Pastoral care (religious services); Religious services; Spiritual or religious counselling.
2. The evidence was that the applicant was the Church of Higher Spiritualism for higher spiritualism teachings for the Aquarian Age (i.e. the Age of Aquarius) founded in Seattle in 1955, and coming to Australia in 1995. The teachings of the applicant came by and through the mediumship of Keith Milton Rhinehart, a spiritual leader and teacher.
3. P filed a notice to oppose the application, but P's request to file evidence out of time was rejected.
4. P opposed the registration under the following sections of the [Trade Marks Act 1995](#) (Cth) (the Act):
 - s 41 - Trade mark not distinguishing applicant's goods or services
 - s42(b) - Trade mark use contrary to law
 - s43 - Trade mark likely to deceive or cause confusion
 - s44 - Identical etc. trade marks
 - s58 - Applicant not owner of trade mark
 - s 58A - Opponent's earlier use of similar trade mark
 - s 59 - Applicant not intending to use trade mark
 - s 60 - Trade mark similar to trade mark that has acquired a reputation in Australia
 - s62A - Application made in bad faith
5. P claimed in evidence that:
 - the applicant's US registration, and other trade marks associated with the applicant, were pending cancellation;

- the 'Church of Higher Spiritualism Incorporated' was previously a registered charity in Australia, but registration as a charity was revoked on 17 March 2016;
- search of the Australian Securities and Investments Commission (ASIC) database did not reveal a business entity in Australia under the name 'aquarian foundation inc';
- the president of the applicant has no domicile in Australia, or any connection or ties with anyone in Australia;
- there were no religious goods or services offered under the trade mark by the applicant in Brisbane, or anywhere else in Australia;
- P used a registered trademark when he manufactured a drink machine branded 'AQUARIAN' before 2010;
- P also had registered the mark Aquarian Foundation;
- P formed an on-line community named 'Aquarian Club' and 'Aquarian Foundation', catering for a wide range of interests from business consultancy, intellectual property, counselling, physical/mental wellness, and personal development, with the key focus being for the general good and wellbeing of the AQUARIAN community;
- P claimed to market his goods on-line and offline in Australia and overseas, with sales offices in foreign markets (including USA and Europe); and
- P's online offerings included home appliances, baby foods, bottled water, beauty and personal care products, toiletries, diving accessories, and leather goods.

6. Section 44 – Identical trademarks

7. The Delegate found that P's registered trade mark only covered services in the nature of distribution services, advertising and marketing services, business management and administration services, stock and sell services, import export services, and retail services, all falling within Class 35. Each of these services had a different nature and purpose when compared to the applicant's services, which were spiritual and religious in nature.
8. The applicant's services were not considered similar or closely related to any of the services or goods covered by P's Registrations which were broadly: (i) machines and apparatus in Classes 7, 9, and 11, (ii) toiletries and cosmetic in Class 3, and (iii) beverages and preparations for making beverages in Class 32.

Section 58A - Opponent's earlier use of similar trade mark

9. The Delegate found that Section 58A is only applicable where a prima facie ground of opposition has been established under s 44, and the applicant had successfully overcome the ground of opposition by reliance on the evidence of prior and continuous use under s 44(4).

Section 58 - Applicant not owner of trade mark

10. To establish this ground, P had to show use in Australia, by some person other than the applicant, of a trade mark that was substantially identical to the Trade Mark, and which had been used for goods or services that were the 'same kind of thing' as the applicant's services.

11. The Delegate found that P's marks were not the same kind of thing as the applicant's services, and the ground under s 58 was not established.

Section 60 - Trade mark similar to trade mark that has acquired a reputation in Australia

12. The Delegate was not satisfied that reputation existed in P's mark in Australia. There was insufficient data to allow the Delegate to determine the extent of the use and level of exposure of the opponent's mark in Australia. P had provided no aggregated revenue or promotional expenditure figures on a year-by-year basis, nor were there any other relevant metrics (e.g. website analytics, social media following etc) from which the Delegate could objectively assess the exposure and recognition of P's mark.

Section 42(b) - Trade mark use contrary to law

13. P alleged that use of the Trade Mark would constitute a breach of ss 18 and 29 of the Australian Consumer Law (ACL), on the basis that its use would mislead or deceive consumers.
14. The Delegate noted that it had already been decided that there was no reputation in P's mark, so there could be no mistaken belief or assumption on the part of the consumer caused by the use of the Trade Mark, and therefore such use could not be misleading or deceptive.

Section 43 - Trade mark likely to deceive or cause confusion

15. P claimed that use of the Trade Mark would convey that the applicant had a licence from, or was affiliated with, P. The Delegate found that the evidence did not establish that the Trade Mark contained a connotation that was likely to deceive or cause confusion.

s 59 - Applicant not intending to use trade mark

16. The onus was on P to displace this presumption by making out a prima facie case that the applicant lacked the requisite intention at the relevant date. If P made out a prima facie case, the evidentiary onus shifted to the applicant to show its intention to use the Trade Mark at the relevant date.
17. The Delegate noted (at [59]):

Although the Applicant has been economical with the evidence it has chosen to file, I am satisfied on the balance of probabilities it is a provider of spiritual and religious services (for the most part in the USA). Religious organisations often desire to expand their influence and teachings to different countries, particularly countries with cultural and language similarities. It is also common for religious organisations to protect their name as a trade mark. Further, the Opponent's arguments that the Applicant had some ulterior motive for filing the Trade Mark are purely speculative and not persuasive.

18. The Delegate found that the ground was not established.

Section 62A - Application made in bad faith

19. P alleged that the Trade Mark was filed in Australia at a time when the US registration appeared to be expiring, and that the applicant did not own a business entity or non-profit organisation in Australia.
20. The fact that the applicant had not registered a business name or a business entity in Australia did not establish an ulterior purpose. Many foreign traders export goods to Australia or provide services to Australians via the internet, without registering an Australian business name or creating some form of Australian entity to carry on their business in Australia.
21. There was no requirement that a foreign applicant for a trade mark in Australia needed to apply for or maintain the same trade mark in their home country, and the mere possible cancellation of the US registration in this case did not cast appreciable doubt on the applicant's motives for filing the application in Australia, in the view of the Delegate.

Section 41 - Trade mark not distinguishing applicant's goods or services

22. Section 41 requires that a trade mark be rejected if it is not capable of distinguishing the applicant's services from those of other traders.
23. The Delegate found (at [70]):

I understand the word 'aquarian' to mean a person who is born under the Astrological sign of Aquarius. This would encompass approximately one in twelve people. The word 'foundation' refers to an organisation established for a particular purpose. In combination, and without more, I consider that the trade mark may bring to the minds of some a foundation run by Aquarians, or a foundation run for the benefit of Aquarians. However, I am not satisfied that the potential assumption by some of such a meaning constitutes an 'ordinary signification' among those who would trade in or purchase the Applicant's Services.

24. On the evidence before the Delegate, it was decided that the Trade Mark did not have an ordinary signification that other traders would legitimately desire to use in relation to the applicant's services. As such, the ground under s 41 was not established.

Decision

25. P had not established any grounds of opposition to the Trade Mark and had to pay costs.

IMPLICATIONS



There were deficiencies in the evidence presented in this case, and filings were not made according to the specified time frames.

It is also noteworthy that the applicant has been deregistered as a charity by the ACNC for failing to file annual returns.

VIEW THE CASE



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Date of creation: August 2022

Number of case: 2022-

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