

O-004-14

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2409353

IN THE NAME OF QUASAR MANUFACTURING LIMITED

OF THE TRADE MARK Q-ZAR IN CLASSES 25, 28 AND 41

AND THE APPLICATION FOR REVOCATION THERETO UNDER NO 84383

BY GEORGE FILIPPO RICOTTI

DECISION

INTRODUCTION

1. By a decision dated 11 March 2013, Mr David Landau, the hearing officer for the Registrar revoked the registration of UK Trade Mark 2409353 Q-ZAR in respect of all goods and services for which it was registered pursuant to Section 46(1)(a) of the Trade Marks Act 1994 (“the Act”).

2. The decision was made on paper without an oral hearing. The proprietor had filed evidence of use but the hearing officer held that the evidence was insufficient to establish that there had been genuine use, having regard to the test in the case law of the CJEU.

3. The proprietor appeals on two grounds. First, it contends that the evidence has not been properly evaluated and that the hearing officer ought to have held that sufficient use had been shown. Second, the proprietor contends that the approach to assessment of use of the mark in a particular form was wrong. The proprietor contends that even if the mark is not maintained for all of the goods and services, there is sufficient evidence to establish use in respect of the following goods in class 28 namely “electronically activated chest pack amusement games utilizing electronic weapons and target apparatus for stimulation combat conditions.”

THE HEARING OFFICER’S DECISION

4. The hearing officer reviewed the evidence and referred to the relevant authorities including *Ansul* on the overall approach, the well-known observations of Jacob J in *Labratoires Goemar* on the need for particular care in ensuring that the evidence was sufficient to prove use and *Reckitt Benkiser v. OHIM* (T-126-03) on the approach to determining the right scope of a specification.

5. The hearing officer also referred to In *Anheuser-Busch Inc v OHIM* Case T-191/07 where the General Court said:

“105 Moreover, the Court of First Instance has held that genuine use of a trade mark could not be proved by means of probabilities or suppositions, but had to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (Case T-39/01 *Kabushiki Kaisha Fernandes v OHIM – Harrison (HIWATT)* [2002] ECR II-5233, paragraph 47).”

6. As to the question of whether use of the mark differed from the registered trade mark in elements which did not alter the latter’s distinctive character (see section 46(2) of the Act) he referred correctly to the guidance of the Court of Appeal in *Budejovicky Budvar Narodni Podnik v. Anheuser Busch Inc.* [2003] RPC 25 and of the Appointed Person (Richard Arnold QC) in *Boura v. Nirvana Spa & Leisure Ltd* BL O/262/06. This says that it is for the hearing officer to analyse the mark and make a global appreciation of its likely impact on the average consumer

identifying first the points of difference and then considering whether they alter the distinctive character.

APPROACH TO APPEAL

7. This appeal is a review of the hearing officer's Decision. Robert Walker LJ (as he then was) said of such appeals:

"...an appellate court should in my view 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* [2003] RPC 5 at [28]; see also *BUD Trade Mark* [2003] RPC 25).

8. I have approached this appeal with this in mind. The parties have agreed that I should also decide the case on the papers without a hearing.

EVIDENCE OF USE

9. The proprietor relied on a single witness statement of Mr Robert Webb, its managing director, which said that it was derived from his personal knowledge. There was no challenge to that statement as the hearing officer correctly noted in the decision, referring to *Tripp v. Pan World Brands Limited* BL O/161/07. He held, and I agree, that the statement was not obviously incredible nor did it contain any relevant discrepancy. In my view, the hearing officer was right to accept it. The real question for the appeal is how much use it was in establishing use.

10. It is convenient to begin with consideration of the evidence of use within the narrower category "electronically activated chest pack amusement games utilizing electronic weapons and target apparatus for stimulation combat conditions." Mr Webb's evidence exhibits inter alia invoices relating to sales of equipment to various undertakings in continental Europe described, by way of example, as follows "Q-Zar energizer base unit", "Q-Zar Gun and Body Armour" (2 units) dated 15 October 2009; 30 "Gun Q-Zar system fully installed" dated 2 November 2009; "Q-Zar Gun Moulding Mk 6" (30 units), 6 "Q-Zar Back Display Board", 30 "Q-Zar Curly Cord", 20 "Q-Zar Front Pack Cover" dated 15 October 2008 and a similar consignment dated 21 July 2008. This kind of equipment appears to have been supplied to undertakings in Spain, Italy, Romania, Germany, the Netherlands, Belgium, Ireland and the USA, as the hearing officer noted at paragraph 10. However the invoices are all in respect of goods either manufactured in the UK

or to be supplied from the UK. There are also two invoices to customers in the UK within the relevant periods for 20 gun systems and body armour.

11. There are also maintenance and licence agreements covering support for the equipment supplied which is described as “Quasar Elite Guns with Armour, two energizers, two bases, one set of score boards, one charging system and associated network wiring”. These related to a total of 70 guns.

Use on goods for export

12. Section 46 of the Act 1994 provides an exception to the general rule that use of a mark must be shown to have taken place within the United Kingdom or more strictly, defines such use as including certain kinds of use on goods which are only for export. Thus, the section provides that:

“use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.”

13. The proprietor observes correctly in its skeleton argument that the invoices in respect of the exported goods refer extensively to “Q-Zar Guns” and the exhibits show such guns clearly marked with that trade mark. The proprietor does not suggest, in my view, again correctly, that section 46(2) requires the court to take account of use only on invoices in respect of goods which are exported (rather than on the goods themselves) merely because it uses the term “includes”.

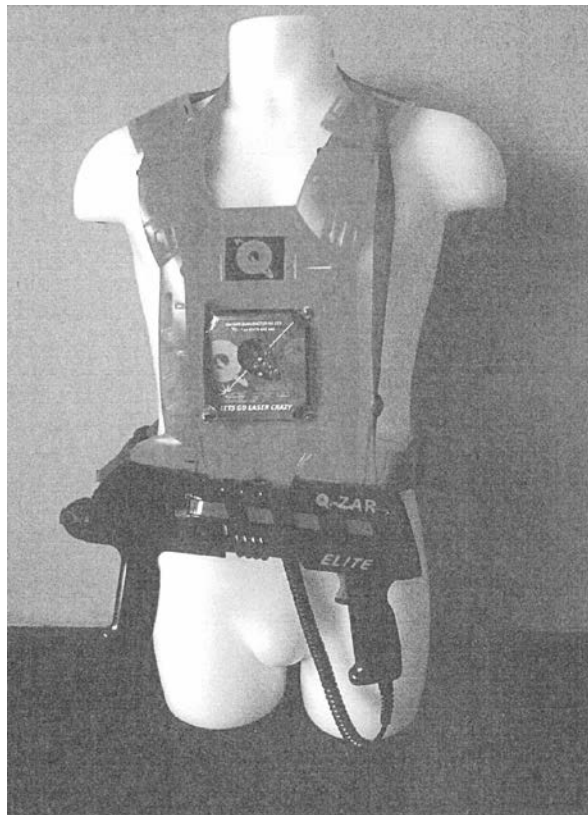
14. The hearing officer referred to the requirement of section 46(2), considered this point and said:

“There is no evidence as to the trade mark that was actually affixed to the goods that were exported. If the trade mark affixed was that as per exhibit RW3, it is not use of the trade mark.”

15. It is this finding which lies at the heart of the appeal.

Laser guns

16. The proprietor contends in effect that, as regards the guns, the mark Q-ZAR can be clearly seen in the photographs of the equipment in exhibit RW3 and that the natural inference is that guns of this kind, bearing this mark, were those referred to in the invoices exhibited. The photograph exhibited is this:



17. The proprietor's argument therefore amounts to saying that the hearing officer failed to have adequate regard to the inference that could be drawn that guns of this kind were those referred to in the invoices.

18. In my judgment, that argument has real substance. However it is hardly surprising that the hearing officer did not accept it since it is only faintly to be detected even in the arguments on this appeal. Nonetheless, I can think of no reason why an undertaking which is in fact making and supplying laser guns which are in the picture shown clearly marked with the Q-ZAR mark and describing them as Q-ZAR guns in its invoices would not be marking and supplying such Q-ZAR branded guns for export. There is no dispute that the proprietor makes the

equipment in the United Kingdom (or at least this has not been challenged on this appeal or below).

19. In my judgment, the proprietor has therefore shown that, on the balance of probabilities, during the relevant periods of alleged non-use, it affixed the trade mark to laser guns of the kind shown in the United Kingdom for export purposes within the meaning of section 46(2) of the Act. To that extent, it has satisfied the requirement of showing use and I am satisfied that, to this extent, the decision is in error.

20. Finally, on this aspect, I think that even if the word mark “Q-ZAR” only appeared physically on the guns rather than on the rest of the apparatus, because the guns were not separate items (in at least some of the sales) but were apparently integral to the game system as a whole, it would be right in the specific circumstances of this case to treat the game as a whole as being marked with the “Q-ZAR” mark for the purpose of section 46(2) in virtue of the key element of it (the laser gun) bearing that word mark.

21. That this is realistic can be seen from the very way in which such system apparatus is displayed in the picture above. Although the gun is not physically attached to the armour and sensor unit as there shown it is clear that it would be used with it as part of a kit. The most prominent word mark is “Q-ZAR” and in my view, an average consumer would take it as applying to the whole game system not just the gun, having regard to the particular context of the use. I think that an average consumer if asked would say of it: “that is a Q-ZAR laser tag gaming system”.

Other equipment and the nature of the mark used

22. The second aspect of this appeal relates to the other equipment, which is not so clearly marked with Q-ZAR. The body armour can be seen in the picture above and the hearing officer found of the logo in the centre of it that the use of the trade mark in that way was in a form which did alter the distinctive character of it from the form in which it was registered on the basis that “The average consumer may well not see the first element as the letter Q but a stylized form of the letter “O” (Decision, paragraph 18).

23. The hearing officer therefore applied the guidance in *Budweiser* referred to above and, bearing in mind the *REEF* principles, I should be particularly slow to interfere with this assessment.

24. The proprietor however, contends that he erred in this evaluation. None of the points made by the proprietor in its skeleton really engage with the hearing officer's evaluation that the average consumer would or might not see the initial element as a "Q" at all. It merely asserts that this is how the mark will be seen and pronounced.

25. Nonetheless, behind the points made expressly is an issue of greater substance namely the impact of the hearing officer's finding referred to above, which seems to me entirely correct that some consumers will see the initial element as a "Q" (and thus part of the word "Q-ZAR" and some will see it simply as a Saturn logo with a separate mark "ZAR" next to it. This is a case in which some people are likely to see the mark on those goods as effectively the mark in issue (as such) but a significant number of others will not.

26. This decision is not the occasion to engage in a detailed analysis of how the law of registered trade marks should, in its various aspects, accommodate within the notion of the "average" consumer the fact that there are diverse populations, some of whom are likely to think one thing upon seeing a given sign and some of whom are likely to think another (see, for some discussion *Marks And Spencer Plc v Interflora Inc & Anor* [2012] EWCA Civ 1501). However, it is well-established that, at least when considering infringement, it is appropriate to have regard to the context of the use in question. The need for contextual evaluation is an increasingly important aspect of EU trade mark law. Thus, in *Specsavers International Healthcare Ltd v Asda Stores Ltd* [\[2012\] EWCA Civ 24](#); [2012] FSR 19, Kitchin LJ said (§ 87):

"In my judgment the general position is now clear. In assessing the likelihood of confusion arising from the use of a sign the court must consider the matter from the perspective of the average consumer of the goods or services in question and must take into account all the circumstances of that use that are likely to operate in that average consumer's mind in considering the sign and the impression it is likely to make on him. The sign is not to be considered stripped of its context."

27. In my judgment, the same applies when considering other issues of real use of a sign in a non-use challenge. In particular, if the question arises as to whether a sign has been used in such

a way that it would be understood as one thing rather than another, it is appropriate to have regard to the context of use to determine how it would be perceived by the average consumer. If the context points the average consumer clearly in one direction rather than another, that is a relevant consideration.

28. The hearing officer did not approach the matter on this basis because he was not invited to do so. He was not asked to take account of the fact that, in RW3, the disputed logo appears as part of an overall game of which another important component is specifically branded with the word mark “Q-ZAR”. In my judgment, this was a factor in the overall evaluation which the hearing officer should have taken into account. This is, in part, because these systems are not really separable but different components of a kit. It is therefore unlikely that either an average user or an average purchaser would see the logo on the body armour but not notice that the word mark on the guns was “Q-ZAR”. If they did notice it, there would be much more likely to treat the first element of the logo mark as denoting a “Q” and therefore see the whole as a stylized “Q-ZAR” rather than as a planet.

29. I think that the hearing officer’s approach was not really focused on this issue by the proprietor’s arguments. Indeed, even the Grounds of Appeal deal with this somewhat obliquely (see paragraph 11) and the skeleton barely develops the point. He cannot therefore be criticized for reaching the decision he did, but I am nonetheless satisfied that it was too narrowly based.

The small amount of use on invoices to the UK

30. The hearing officer also held that the very small amount of apparent use in the UK evidenced by exhibit RB2 (2 items of reconditioned guns and body armour on 8 October 2009) 20 Gun “Q-Zar system fully installed” with an invoice date of 10 April 2007 were insufficient to prove use (see Decision, paragraph 25). In the former case, this was on the basis that this could have been “legacy” use. If by that was meant use at the tail end of a business not intended to establish or continue a market, I do not think this is consistent with the evidence of substantial sales (albeit in other countries) after that date. Nor do I think it was right to dismiss the evidence of the sale in 2007 referred to in that invoice of the 20 gun system on the basis that it was too small to satisfy the *Ansul* criteria.

31. The hearing officer did not take into account, again because he was not actually invited to do so by the proprietor, the fact that systems of this kind were likely to be infrequent purchases. Thus a sale of around £20,000 shown in the invoice would amount to about 1/6- 1/10th of total turnover on the basis of the figures provided by Mr Webb as to turnover of the business as a whole at about that time. Moreover, those sales in the UK must be seen in the light of what appears to have been some success in exporting to Spain at about the same time and elsewhere later.

32. In my judgment, the point to which the hearing officer was not really directed was that *Ansul* requires the tribunal to consider whether even quantitatively insignificant use was nonetheless genuine. This depends on “the characteristics of the goods or services concerned on the corresponding market”. That said, again the hearing officer cannot be criticized for not focusing on this issue since the proprietor’s evidence was very weak on this point and the submissions were not it appears directed to this issue.

33. In my view, taking all of these matters into account, this evidence of use only satisfies the *Ansul* criteria by a narrow margin but it just does so, having regard to all of the circumstances.

Goods for which use was established

34. The hearing officer was right to focus on “electronically activated chest pack amusement games utilizing electronic weapons and target apparatus for stimulation combat conditions.” In my judgment, taking all of those matters into consideration and having regard to the areas where I think that the hearing officer would have approached matters differently have he been invited to do so, I have come to the conclusion that the proprietor has sufficiently shown use to maintain such a registration.

Other goods and services

35. The hearing officer dealt with the other classes for which the registration was sought to be maintained more briefly (see Decision, paragraphs 21, 22 and 24). He was justified in doing so.

36. There was no sufficient evidence to support any registration significantly wider than that above. There was for example no attempt to prove use in class 25. As to other goods, the hearing officer correctly applied the approach of *Galileo International Technology LLC v. EU* [2011] EWHC 35 which indicates that broad specifications are to be avoided. Considerations of this kind have regularly received appellate approval including by the Appointed Persons (see for example *STANDARD LITE* O-208-08, Appointed Person, Ms Anna Carboni).

Services and the licences

37. I am un-persuaded by the argument that merely providing evidence of licence agreements permitting use constitutes proof that use of the services actually occurred. Mr Webb's evidence says that the contracts "exemplify use of the Registration by the licensees". The problem with that contention is that there is no actual instance of use of the mark shown pursuant to such agreements. It would have been easy to show such use had it taken place by providing turnover figures from the licensees of admissions and so forth and example of use at the premises where the services were provided. Nothing of that kind was filed. This is a clear case where probabilities and suppositions are not enough.

38. The hearing officer was right to reach the conclusion that this category of use had not been adequately proven having regard to the requirements of *Ansul* and *Anheuser-Busch Inc v OHIM*.

39. In proceedings of this kind, the relevant maxim is not "use it or lose it", but the much more specific, if less catchy: "provide solid and objective evidence of effective and sufficient use, or lose it". The proprietor has not done so for those goods and services.

Scope of specification

40. In the light of my conclusions, I must next consider the question of the correct scope of the specification afresh, having regard to the principles in summarized in *NIRVANA* O/262/06. In that case, the Appointed Person (Mr Richard Arnold QC) set them out as follows at [58]-[59]:

"I derive the following propositions from the case law reviewed above:

(1) The tribunal's first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

59. I would add a point which in my judgment is implicit in most of the decisions, although not explicit, which is that it is for the tribunal to frame a fair specification and not the parties.”

41. I also bear in mind that Arnold J made further observations on this topic in *Stichting BDO & Ors v BDO Unibank, Inc & Ors* [2013] EWHC 418 (Ch) where he considered the extent to which the *NIRVANA* approach might be said to differ from that adopted by the CFI. Having set out the *NIRVANA* approach, he said at [56]-[58]:

56. In *EXTREME Trade Mark* [2008] RPC 2, again sitting as the Appointed Person, I considered the decision of the CFI in Case T-256/04 *Mundipharma AG v OHIM* [2007] ECR II-449 and continued as follows:

"54 Although at first blush this suggests an approach which is somewhat different to that laid down by the English authorities considered in *NIRVANA*, I consider that the difference is smaller than might appear. The essence of the domestic approach is to consider how the average consumer would fairly describe the goods in relation to which the trade mark has been used. Likewise, paragraph [29] of *Mundipharma* indicates that the matter is to be approached from the consumer's perspective.

55 To the extent that there is a difference between them, I remain of the view expressed in *NIRVANA* that I am bound by the English authorities interpreting section 46(5) of the 1994 Act and Article 13 of the Directive and not by the CFI's interpretation of Article 46(2) of the CTM Regulation since, as already noted above, there are differences between the two legislative contexts. Nevertheless I consider that English tribunals should endeavour to follow the latter so far as it is open to them to do so. *Mundipharma* suggests that, within the spectrum of domestic case law, the slightly more generous approach of Jacob J. in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch), [2004] FSR 19 is to be preferred to the slightly less generous approach of Pumfrey J. in *DaimlerChrysler AG v Alavi* [2001] RPC 42."

57. In *Daimler AG v Sany Group Co Ltd* [2009] EWHC 1003 (Ch), [2009] ETMR 58 Geoffrey Hobbs QC sitting as a Deputy High Court Judge summarised the correct approach at [10] as follows:

"... the aim should be to arrive at a fair specification by identifying and defining not the particular examples of goods for which there has been genuine use, but the particular categories of goods they should realistically be taken to exemplify. ..."

58. As Mr Hobbs added when sitting as the Appointed Person in *Euro Gida Sanayi Ve Ticaret Ltd v Gima (UK) Ltd* (BL O/345/10) at 11:

"For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

Application of the principles

42. Having regard to the considerations referred to in these cases and the use established, I conclude that the right scope for the specification is as follows in class 28:

"Electronically activated chest pack amusement games utilizing electronic weapons and target apparatus for simulation of combat conditions; protective

padded body armour specifically for use in such games; toy laser guns specifically for use in such games.”

43. This largely reflects the proprietor’s choice of description. It is necessary to qualify the term “toy guns” with the words inserted, since there has been no use of the mark in respect of any other toy laser guns and the guns for use in “laser tag” of this kind are specific to such games. It is also necessary to limit the general description in class 28 of “protective padding” in the manner above, since this accords with the manner in which it is shown and described in the commercial documents and would accord with the perceptions of the average consumer.

44. The other categories of that class do not satisfy the test in the authorities cited and the mark will remain revoked in respect of them, subject to the application to adduce further evidence on appeal to which I now turn.

APPLICATION TO ADDUCE FURTHER EVIDENCE

45. By letter dated 14 August 2013, the proprietor applies to submit further evidence on this appeal. Although the application is to adduce further evidence, in fact no such evidence was provided.

46. Instead, under cover of the letter of 14 August 2013, a letter was provided to Mr Landau dated 4 August 2013 from the Curator of the Laser Tag Museum in Louisville Kentucky, Mr Erik Guthrie. In addition, a letter dated 10 July 2000 from Quasar UK to the Laser Arena Nottingham, containing a trade mark license was enclosed.

47. The parties have subsequently accepted that whether this material was admissible and the consequences should be dealt with as part of the overall decision. I have left this issue until last because, in my judgment, this material is clearly inadmissible on this appeal and I cannot properly take account of it. Moreover, even if it had been admissible it would have not advanced the proprietor’s case at all.

Principles

48. The principles are not seriously disputed. In *EI Du Pont De Nemours & Company v S.T. Dupont* [2003] EWCA Civ 1368, [2004] FSR 15 the Court of Appeal said (per May LJ):

103. Pumfrey J considered the question of admitting fresh evidence in a trade mark appeal under the 1994 Act in *Wunderkind Trade Mark* [2002] R.P.C. 45. He concluded that proceedings before the Registrar of Trade Marks were intended closely to resemble proceedings in court and there was nothing in the nature of the tribunal which required appeals from the Registry to be treated in any special way. He considered that the introduction of CPR Part 52 had changed the position so that what was formerly a rehearing is now a review. For reasons which I have indicated, this is in my view a change of terminology, not substance. I agree, however, with Pumfrey J that trade mark appeals should not be treated differently from other appeals. As to admitting fresh evidence, Pumfrey J considered that the introduction of Part 52 had changed the law in a significant manner and that what Laddie J had said in *Hunt-Wesson* had been overtaken by the adoption of rule 52.11. Sir Richard Scott's decision in *Club Europe* does not appear to have been drawn to Pumfrey J's attention. However that may be, Pumfrey J in my view correctly summarised the position in paragraph 57 of his judgment, where he said:

"There is no doubt that in a trade mark appeal other factors outside the *Ladd v. Marshall* criteria may well be relevant. Thus in my judgment it is legitimate to take into account such factors as those enumerated by Laddie J in *Hunt-Wesson*, provided always that it is remembered that the factors set out in *Ladd v. Marshall* are basic to the exercise of the discretion to admit fresh evidence and that those factors have peculiar weight when considering whether or not the overriding objective is to be furthered."

104. This passage, in my view, properly recognises that the same principles apply in trade mark appeals as in any other appeal to which Part 52 applies; but that the nature of such appeals may give rise to particular application of those principles appropriate to the subject matter."

***Ladd v. Marshall* requirements**

49. While recognizing that factors other than the *Ladd v. Marshall* [1954] 1 WLR 1489, [1954] 3 All ER 745, [1954] EWCA Civ 1 requirements for the evidence to be admitted on appeal may be relevant, the Court of Appeal in *Du Pont* held that these were central.

50. The first *Ladd v Marshall* requirement is that the new evidence could not have been obtained with reasonable diligence for use at first instance.

51. No serious attempt has been made to show that this requirement is satisfied in relation to the material sought to be adduced. All that is said is that the Appellant "faced difficulties" in obtaining this evidence. That, in my judgment is insufficiently substantial as a reason.

52. The second requirement is that the new evidence would probably have an important influence on the result of the case. I cannot see how this requirement could be satisfied in this case. This material does not address the two key issues in the case namely what goods and services the Q-ZAR mark has been used for in the relevant period.

53. The letter from Mr Guthrie makes some observations in the nature of submissions relating to whether a stylized “Q” would be taken to be such and refers to Google image searches (which it should be noted could have been undertaken before). There are then a number of further submissions made which, in my judgment have no bearing on the points in dispute in this case and do not relate to the period for which non-use was found. The other letter takes matters no further and does not relate to the relevant period. A number of more detailed criticisms of this proposed evidence are made in the respondent’s skeleton argument. Since in my view, this application does not get to first base, it is unnecessary to consider them in detail. It suffices to say that in my view, quite a number of the points made there also have merit as regards the relevance of this material. The respondent submits that the material would have “the most minimal” impact upon the proceedings. Even that may be said to be generous. In my judgment, it takes matters no further at all.

54. This is sufficient to render this material *prima facie* inadmissible. It is unnecessary to consider whether the new evidence is credible, the third requirement of *Ladd v. Marshall*. In my judgment, however, this material is not even evidence. It is not exhibited to any witness statement and cannot properly be taken account of for that reason alone.

55. In the agent’s letter seeking admission of this evidence, no attempt has been made to show that these further requirements are satisfied either. All that is said is that the “Proprietor is of the opinion that the evidence is material to the proceedings”. I specifically note that this letter says that the proprietor is of that view and, in fairness to them, it is not suggested that their agents share this view.

56. For these reasons, the application to adduce further evidence is refused. It makes no difference to the conclusion I have reached above.

RESPONDENT’S NOTICE

57. By a respondent's notice, the applicant for revocation contends that the Hearing Officer should have found non use under section 46(1)(b) of the Act in the period 3 April 2007 to 2 April 2012 as well. In my view, the reference in the final paragraph of the decision should probably have been to section 46(1)(b) anyway. I do not think that the difference in period matters in this case. The limited use proven relates to both periods and there has been no other proven use at any time. I therefore do not consider that the respondent's notice requires separate consideration save to say that I think that the hearing officer was in any event right to say that pursuant to section 46(6) the rights ceased as of the earlier date of 30 December 2011.

CONCLUSION

58. For the reasons given, the appeal will be dismissed save in respect of the following goods:

“Electronically activated chest pack amusement games utilizing electronic weapons and target apparatus for simulation of combat conditions; protective padded body armour specifically for use in such games; toy laser guns specifically for use in such games.”

59. The appeal is allowed to that limited extent.

COSTS

60. The proprietor has been mainly unsuccessful and its application to adduce further evidence was, in my view, misconceived. The mark remains revoked for a significant range of goods and services, having withstood challenge for a limited range.

61. That said, the application for revocation has ultimately not been successful with respect to some goods of potential commercial importance to the proprietor. However, it is not possible to tell from the submissions whether the real focus of the commercial dispute was about for example class 25, where the appeal has been dismissed. If so, the applicant for revocation would have been clearly more successful in reality and could unequivocally be regarded as the overall winner. I am not prepared to find that the applicant for revocation has been significantly less successful on this appeal than the proprietor, simply because the proprietor has succeeded in its alternative limited argument. Both parties have got something out of the case, although for most

of the goods and services in issue, the application for revocation was successful. On the limited material before me, I think that, overall, the applicant for revocation (respondent) has won more.

62. In those circumstances, limited success of the appeal can justly be reflected by a modest percentage reduction in the normal scale costs awarded to a successful respondent. These are not very high anyway, since there was no oral hearing but they will have been increased somewhat more than normal by the application to adduce further evidence which was extensively addressed in the skeleton.

63. I also take into account the fact that the evidence on the application was weak and the hearing officer was not assisted in reaching a positive conclusion as to use by the submissions made to him. I am not persuaded that this was really the best that the proprietor could do, in terms of explaining the nature of the use, the reasons why use was not more extensive, the context of the use and so forth. This is another case, of which there are too many, in which a party has not focused (or has not been required by its advisors to focus) properly on its evidential case before the hearing officer. That creates difficulties not only for the Registry but for the other side and for the public. In my judgment, this should be reflected in costs and can mean that even where there some limited success on appeal it would not be right to disturb an adverse costs award below. Litigants and their advisors should understand that inadequate preparation and development of a case does not just affect the merits of their own side's case. It is costly to others and should mean that, even where a party enjoys some success on appeal in cases of this kind, it cannot expect the other side to foot the bill significantly for an adverse first instance decision.

64. Although I think that the application to adduce further evidence was misconceived, I do not think this is a case in which off-scale costs are appropriate. The right way to take account of that is to provide a somewhat more generous amount by way of costs for the written submissions which needed to deal with this. I would also note that if an application for off scale costs is to be made, it must be accompanied by a proper itemized bill so that it can be considered fully.

65. Having regard to all of these factors, the order for costs made by the hearing officer will stand and the proprietor should pay an additional sum of **£600** in respect of the costs of this appeal, including the application to adduce further evidence. This composite sum covers

considering the appeal, preparing a respondents notice and written submissions dealing with the appeal and application to admit further evidence.

66. The total sum of **£1600** by way of costs should be paid within 14 days.

DANIEL ALEXANDER QC

Appointed Person

17 December 2013

Representation:

Withers and Rogers for the registered proprietor

Mewburn Ellis for the applicant for revocation