

O-109-13

**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**

**THERE TO UNDER NO 84383**

**BY**

**GEORGE FILIPPO RICOTTI**

1) Section 46 of the Trade Marks Act 1994 (the Act) states:

—(1) The registration of a trade mark may be revoked on any of the following grounds—

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and 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.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made.

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that—

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from——

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

Section 100 of the Act states:

—10. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Consequent upon section 100, in revocation for non-use proceedings the onus is upon the registered proprietor to prove that it has made genuine use of a trade mark, or that there are proper reasons for non-use.

2) The registration procedure for the trade mark Q-ZAR (the trade mark) was completed on 29 December 2006. The registration is in the name of Quasar Manufacturing Limited (Quasar). The trade mark is registered for:

*clothing, footwear, headgear;*

*games and playthings; gymnastic and sporting articles not included in other classes; electronically activated toys; electronically activated chest pack amusement games utilising electronic weapons and target apparatus for simulating combat conditions; toy guns, laser activated toys and video game machines; protective padding.*

*entertainment services; amusement centre services and recreational services.*

The above goods and services are in classes 25, 28 and 41 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) On 4 April 2012 George Filippo Ricotti filed an application for the revocation of the registration under sections 46(1)(a) and (b) of the Act. Under section 46(1)(b) of the Act, Mr Ricotti claims that the trade mark has not been used from 3 April 2007 to 2 April 2012. Revocation is sought from 30 December 2011 under section 46(1)(a) of the Act, and from 3 April 2012 under section 46(1)(b) of the Act.

4) Quasar filed a counterstatement in which it claims that it has used the trade mark for all the goods and services in the periods under consideration.

5) Quasar filed evidence. Mr Ricotti filed written submissions. Neither party requested a hearing.

### ***Evidence for Quasar***

6) This consists of a witness statement made by Robert Webb on 24 August 2012.

7) Mr Webb is the managing director of Quasar.

8) Mr Webb states that Quasar is the sole supplier of Quasar Elite to a worldwide market. He states that Quasar Elite is a laser tag game that has been operating in the United Kingdom since the 1990s. Mr Webb states that the trade mark is used in relation to laser tag gaming facilities and has been extensively used in conjunction with Quasar Elite since its inception. Quasar has laser tag gaming facilities in Harlow, Enfield and Hemel Hempstead. Mr Webb states that these facilities have a combined annual turnover in excess of £1,500,000.

9) Mr Webb states that Quasar has manufactured —~~the~~ Goods” in the United Kingdom and distributed —~~the~~ Goods” in the United Kingdom, to various countries in Europe, Russia and the USA —~~within~~ the relevant periods”. Mr Webb states that the total annual turnover for —~~the~~ Goods and the provision of the Services” under the trade mark was:

2006	£146,260
2007	£144,409
2008	£180,028
2009	£401,160
2010	£186,060
2011	£199,640
2012	£98,700 (to date)

10) Exhibited at RB1 are copies of invoices from 10 January 2007 to 19 November 2011 to undertakings in Spain, Italy, Romania, Germany, the Netherlands, Belgium, Ireland and the USA. The invoices are for a maintenance contract, guns and body armour, base unit, 30 gun system fully installed, gun

mouldings, display boards, curly cords, front pack covers, scoreboards, 20 gun system fully installed, energiser/base units, parts, red laser diodes, annual maintenance contract for 30 guns. The items were supplied after 3 April 2007. All of the items listed are referred to by the trade mark on the invoices.

11) Exhibited at RB2 are copies of two invoices to a person in Norfolk and an undertaking in South Shields. The former invoice is dated 8 October 2009 and is for two reconditioned guns and body armour. The latter invoice is dated 10 April 2007 and is for 20 gun system fully installed. The items are identified by the trade mark on the invoices.

12) Exhibited at RB3 are pictures of laser tag guns; also in the pictures is what appears to be the body armour that is referred to in the invoices. The body armour does not bear the trade mark. (One of the pictures is annexed to this decision.) The pictures have no provenance re date. The gun bears what could be seen as a letter O with a split circle intersecting it, like a stylised representation of the planet Saturn, followed by a hyphen and ZAR (see annex).

13) Exhibited at RB4 is page from Quasar's website, downloaded on 13 July 2012 (after the date of application for revocation). The following appears upon the page:

—Quasar Manufacturing Ltd is the sole supplier of Quasar Elite, the latest version of Quasar, to a world wide market. Prior to this, under the Quasar UK banner we were the longest established Lasertag support company, specializing in Quasar and Q-Zar. We have provided spares, repairs, sales and service for Quasar and Q-Zar brand Lasertag sites since 1991.

When the original Quasar Manufacturing Company, owned by the band U2, moved it's manufacturing base to Dublin, Quasar UK were appointed their UK main agents. When in the early 1990's the company was sold to an American consortium and the brand name Q-Zar was born. Quasar UK were then given extended rights including, most importantly, manufacturing rights, which included being able to call off dedicated parts from Quasar's tooling.

In the mid 1990's Q-Zar America failed and we took over all manufacturing and world wide distribution of Quasar and Q-Zar from our base in the UK. By this time it was becoming evident that the original design of the equipment and the internal circuitry was long past it's sell by date. So in 2001 we started a research and development project that was to last for 2 years, designed to bring Quasar into the 21st century.

During this time we redesigned every circuit board to get rid if all the components that were or about to go obsolete. We took the software back to source codes and rewrote it from the ground up removing all the —bgs”

and introducing many new features. This is now a dedicated program on a Windows platform which has 10 times the speed of data transfer. We redesigned the gun and body armour to comply with all the latest health and safety standards while enhancing it's aesthetic appeal. We even changed the colours so that colour blind people can now play.

After extensive trials in our own sites Quasar Elite was officially launched at Leisure Industry Week 2005. This”

Dotted around the perimeter of the page QUASAR appears but not the trade mark. Mr Webb states that the extract from the website details —theservices offered under the registration”.

14) Exhibited at RB5 are copies of maintenance and licence agreements between Quasar and Quasar Elite Nottingham dated 9 and 24 November 2011 and between Quasar and Quasar Elite Norwich dated 8 and 29 December 2011. The agreements cover maintenance and support for the equipment supplied and training in relation to the use of the equipment. The agreement includes the licensing of use of the trade mark. Schedule 1 to the agreement gives details of the equipment that is supplied: —Quasar Elite Guns with Armour, two energizers, two bases, one set of score boards, one charging system and associated network wiring". In one agreement 30 guns are to be supplied and in the other 40 guns are to be supplied.

### **Decision**

15) In his written submissions Mr Ricotti attacks the validity of the evidence of Mr Webb. Mr Richard Arnold QC, sitting as the appointed person in *Tripp Limited v Pan World Brands Limited* BL O/161/07 stated:

—33*Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The

relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [205] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence."

There is nothing obviously incredible in the evidence of Mr Webb. Mr Ricotti criticises what he considers a discrepancy between turnover figures that Mr Webb gives in paragraphs 4 and 5 of his statement. However, paragraph 4 of his statement relates to the turnover of facilities run by Quasar in three locations and relate to Quasar Elite, not the trade mark. Paragraph 5 relates to the turnover in relation to use of the trade mark. There is no discrepancy. If Mr Ricotti wished to attack the validity of the evidence of Mr Webb he should have supplied his own evidence and/or sought disclosure and/or sought cross-examination of Mr Webb or formally challenged the evidence at an early stage of the proceedings. He did none of these.

16) The Court of Justice of the European Union (CJEU) in *Ajax Brandbeveiliging BV v Ansul BV* Case C-40/01 stated:

—36—Genuine use" must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of

confusion, to distinguish the product or service from others which have another origin.

37. It follows that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06* the General Court (GC) stated:

—32To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case. That assessment entails a degree of interdependence between the factors taken into account. Thus, the fact that commercial volume achieved under the mark was not high may be offset by the fact that use of the mark was extensive or very regular, and vice versa. In addition, the turnover and the volume of sales of the product under the earlier trade mark cannot be assessed in absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, production or marketing capacity or the

degree of diversification of the undertaking using the trade mark and the characteristics of the products or services on the relevant market. As a result, the Court has stated that use of the earlier mark need not always be quantitatively significant in order to be deemed genuine. Even minimal use can therefore be sufficient to be deemed genuine, provided that it is viewed as warranted in the economic sector concerned in order to maintain or create a share in the market for the goods or services protected by the mark (*VITAFRUIT*, paragraph 27 above, paragraph 42, and *LA MER*, paragraph 26 above, paragraph 57; see, by analogy, *Ansul*, paragraph 24 above, paragraph 39, and the order in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 21)."

In *Anheuser-Busch Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-191/07 the GC stated:

—15 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)."

In *Laboratories Goemar SA's Trade Mark* [2002] ETMR 34 Jacob J stated:

—9 In the present cases, use was not proved well. Those concerned with proof of use should read their proposed evidence with a critical eye, to ensure that use is actually proved, and for the goods or services of the mark in question. All the t's should be crossed and all the s's dotted. In the present cases there was a difference between the total sales figures and relevant sales. Mr Mellor, for the applicants for revocation, told me that sorting out the wheat from the chaff involved a lot of work. In the end, however, he accepts that some very small potentially relevant sales under the marks were proved."

17) The trade mark shown in exhibit RB3 is not the trade mark as registered. In *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2003] RPC 25 the Court of Appeal dealt with issues relating to use of a trade mark in a form which does not alter the distinctive character of the mark in the form in which it was registered. Lord Walker stated:

—43 I have no wish to be overcritical of the way in which the deputy judge expressed himself, especially since I think he was a little overcritical of the way in which the hearing officer had expressed himself. But I am inclined to think that the deputy judge made the issue rather more complicated than it is. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once

those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

44 The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

"Bare ruin'd choirs, where late the sweet birds sang"

is effective whether or not the reader is familiar with Empson's commentary pointing out its rich associations (including early music, vaultlike trees in winter, and the dissolution of the monasteries).

45 Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of "whose eyes?-- registrar or ordinary consumer?" is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgment, to analyse the "visual, aural and conceptual" qualities of a mark and make a "global appreciation" of its likely impact on the average consumer, who "normally perceives a mark as a whole and does not proceed to analyse its various details."

In *Boura v Nirvana Spa & Leisure Ltd* BL O/262/06 Mr Richard Arnold QC, sitting as the appointed person, stated:

—15It is clear from BUD and BUDWEISER BUDBRÄU and the four Court of First Instance cases that the normal approach to the assessment of distinctive character applies in this context. As the European Court of Justice has reiterated in numerous cases, the distinctive character of a trade mark must be assessed (i) in relation to the goods or services in question and (ii) according to the perception of the average consumer of those goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect."

He went on to state:

—34The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

18) The first element of the trade mark as shown at RB3 (as shown in the annex) is highly stylised. As noted above it may be seen as a stylised version of the planet Saturn. The average consumer may well not see it as the letter Q but a stylised form of the letter O. The format of the trade mark shown at RB3 is one of device and word or highly stylised letter and word. The distinctive character is fundamentally altered. The use of the trade mark, as exhibited at RB3, is in a form which does alter the distinctive character of the mark in the form in which it was registered. It is very much a different trade mark.

19) Under section 46(2) of the Act, use can arise from affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes. The invoices exhibited at RB1 relate to goods and services supplied outside of the United Kingdom. Section 46(2) relates to goods only and so cannot assist Quasar in relation to services. 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 RB3, it is not use of the trade mark. Quasar has not established that the trade mark was affixed to the goods or the packaging of the good for export from the United Kingdom; the material exhibited at RB1 is of no assistance to it. The turnover figures of Mr Webb at paragraph 5 of his statement do not distinguish between use in the United Kingdom and use abroad and so are not of assistance.

20) The actual use shown, prior to the date of the filing of the application, in the United Kingdom consists of the two invoices exhibited at RB2 from 10 April 2007 and 8 October 2009. The copies of the two agreements allow for the use of the trade mark but are not evidence of actual use. The equipment that is supplied under the agreements is Quasar Elite not Q-Zar. The invoice of 8 October 2009 is for two reconditioned guns and body armours and is addressed to an Andrea Solman at what appears to be a residential address. The invoice of 10 April 2007 is for a 20 gun system and its installation. Consequently, the only actual use of the trade mark shown in the United Kingdom, is a week into the section 46(1)(b) period and in relation to two reconditioned sets of two items.

21) There is no evidence in relation to use on class 25 goods. The items described as body armour are not items of clothing. At the time of the filing of the application for registration and now, such goods were and are in class 9, not class 25. If these items are not for protection but are for use in playing a game, they would fall into class 28; it is quite likely that they would fall into the category of *electronically activated chest pack[s]* as per the class 28 specification.

22) In relation to the class 28 goods there is no evidence of use in relation to a number of the terms eg *gymnastic and sporting articles*. Some of the terms in the specification are very wide eg *games and playthings*. In *Galileo International Technology, LLC v European Union (formerly European Community)* [2011] EWHC 35 (Ch) Floyd J stated:

—39 The unrestricted specification is of enormously wide scope. The Hearing Officer wisely reminded himself of what Laddie J had said about wide specifications for computer software in *Mercury Communications Ltd v Mercury Interactive (UK) Ltd* [1995] FSR 850. Laddie J considered that:

"... there is a strong argument that a registration of a mark simply for "computer software " will normally be too wide. In my view the defining characteristic of a piece of computer software is not the medium on which it is recorded, nor the fact that it controls the computer, nor the trade channels through which it passes but the function it performs. A piece of software which enables a computer to behave like a flight simulator is an entirely different product to software which, say, enables a computer to optically character read text or design a chemical factory. In my view it is thoroughly undesirable that a trader who is interested in one limited area of computer software should, by registration, obtain a statutory monopoly of indefinite duration covering all types of software, including those which are far removed from his own area of trading interest. If he does he runs the risk of his registration being attacked on the ground of non-use and being forced to amend down the specification of goods. I should make it clear that this criticism applies to other wide specifications of goods obtained under the 1938 Act. I understand that similar wide specifications of goods may not be possible under the 1994 Act."

40. That was a case decided under the Trade Marks Act 1938, but, like Laddie J, I see no reason why the views there stated should not apply under the Act. —

23) The class 28 specification identifies goods which directly relate to the nature of the use indicated, if not necessarily shown:

*electronically activated chest pack amusement games utilising electronic weapons and target apparatus for simulating combat conditions.*

As these are terms that Quasar has chosen, they are appropriate to describe the goods, if it is decided that genuine use has been shown. The other goods in the class 28 specification can simply be blue pencilled out.

24) In relation to the services, Mr Webb refers to use in relation to maintenance and training. The class 41 specification does not cover such services; the former services are in class 37. The two copies of the agreements do not show use of the trade mark in relation to any services. They give a licence to potential use of the trade mark. The licensee, under schedule 2, has a choice of trade marks and signs that can be used. Mr Webb does not state in paragraph 4 of his statement that the trade mark has been used in relation to Quasar's gaming facilities. He

states —has been extensively used in conjunction with **Quasar Elite** since its inception” (emphasis added).

25) The use shown in relation to the goods identified at paragraph 23 in the United Kingdom has been very limited. The worldwide rolling up of the turnover figures means that there is no indication of the scale of use in the United Kingdom. The use shown is use on invoices not on the products. However, this is external use in relation to the goods. It is necessary for Quasar to establish that the use that it has shown is warranted in the economic sector concerned in order to maintain or create a share in the market for the goods protected by the trade mark. At the beginning of the section 46(1)(b) period there was a sale of a 20 gun system. On 8 October 2009 there was the sale of 4 reconditioned items to what appears to have been a private buyer; this could well have been legacy use. Taking into the account the scale of the use, that the use shown was only on two occasions, the nature of the goods sold, the use of other trade marks (particularly Quasar Elite), Quasar has not established that in the section 46(1)(b) period that there has been genuine use of the trade mark ie use that is warranted in the economic sector concerned. The evidence does not show use of the trade mark in the United Kingdom prior to this period. Consequently, Quasar has not established genuine use of the trade mark since the date of the completion of the registration procedure.

26) The registration is revoked under section 46(1)(a) of the Act from 30 December 2011 in respect of all of the goods and services.

## **Costs**

Mr Ricotti having been successful is entitled to a contribution towards his costs. Costs are awarded upon the following basis:

Revocation fee:	£200
Preparing a statement and considering the statement of Quasar	£300
Considering evidence of Quasar:	£250
Written submissions:	£250
Total:	£1,000

Quasar Manufacturing Limited is ordered to pay George Filippo Ricotti the sum of £1,000. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 11th day of March 2013**

**David Landau  
For the Registrar  
the Comptroller-General**

Annex

