


O-1061-22

**TRADE MARKS ACT 1994
IN THE MATTER OF REGISTRATION No. 3473999
STANDING IN THE NAME OF
DAVID XIE
AND
IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.503274
BY NOW PRODUCTS LTD**

BACKGROUND

1) The following trade mark is registered in the name of David Xie:

Mark	Number	Filing & registration date	Class	Specification
	3473999	10.03.20 09.08.20	16	Till Rolls; Till rolls; Thermal paper; Bulk paper; Tissue paper; Ink rollers for office machines; Ink ribbons; Badge holders [office requisites]; Badge holders of plastic [office requisites]; all included in Class 16.

2) By an application dated 28 August 2020 Fawad Razaq Zada applied for a declaration of invalidity in respect of this registration. On 23 June 2021 he was replaced by Now Products Ltd (hereinafter NPL) as the applicant for cancellation with all the necessary undertakings being provided.

3) The ground of invalidity is, in summary that Mr Zada has since 2018 used the mark shown below upon goods identical to those registered by Mr Xie. It is claimed that Mr Xie was a customer who purchased goods from Mr Zada and sold them on to end users. It is contended that Mr Xie stole the mark from Mr Zada who was the first user of the mark. The mark in suit therefore offends against Section 5(4)(a) of the Act.



4) On 29 October 2020 Mr Xie provided a counterstatement to the invalidity action. It merely states:

“I deny this invalidation application. The grounds and evidence set out by the applicant are completely false.”

5) Neither side is professionally represented. Both sides filed evidence. The matter came to be heard on 12 October 2022 when NPL was represented by Mr Qureshi a director of NPL: Mr Xie represented himself.

DECISION

6) Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

7) The invalidity is brought under Section 47 (2) which states:

“47. (1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 5(6).

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) 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.

(2D)-(2DA) [Repealed]

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) that on the date in question the earlier trade mark was liable to be declared invalid by virtue of section 3(1)(b), (c) or (d), (and had not yet acquired a distinctive character as mentioned in the words after paragraph (d) in section 3(1));

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) [...]

(4) [...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

8) Section 5(4)(a) states:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) [...]

(b) [...]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

9) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

10) Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation¹ among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source² or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon,
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action”.

11) I must first decide the relevant date for the ground of invalidity. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

12) Mr Xie has made no claims regarding his use of the mark in suit and so the relevant date must be the date of the application, 10 March 2020.

13) When considering the evidence I take into account the comments in *Awareness Limited v Plymouth City Council*, Case BL O/236/13, where Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified

in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

14) I also note that in *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘*show*’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

15) Both sides filed evidence. Mr Xie, a Director of Double Dragon International Ltd (DDIL) incorporated on 17 January 2013, filed two witness statements both dated 31 August 2021. These statements are effectively simply critiques of the evidence filed by the other party. Mr Xie alleges that NPL’s evidence is full of forgeries, false accusations and that they conduct business using questionable or illegal practices. He also points out that his company was incorporated before Now Products Ltd which was only incorporated on 15 November 2017. He states that neither he nor his company has ever had dealings with Now Products Ltd or either of its two directors (Mr Miller & Mr Fawad Razaq Zada), nor had they heard of the company prior to the instant case being filed. He claims that the third Director of NPL Mr Qureshi although supposedly appointed on 15 November 2017 was only notified to Companies House on 16 March 2021. He also claims that Mr Qureshi is also known as Russel or Rus and owned a company called Till Rolls Global Ltd (TRG) which Mr Xie

admits he did business with when he ran out of stock. He claims he stopped buying from TRG as they would not supply VAT invoices. Mr Xie refers to annex 3 to substantiate his claim, but this shows emails between Russell Q of Tillrolls Global and David Xie of Paramount Europe Ltd where the prices from TRG include VAT and Mr Xie is asking for invoices to be made out to Double Dragon. This annex also includes a table showing a number of payments from DDIL. There are a number of allegations about TRG but these are not relevant to the instant case. There are also complaints about the way in which NPL has behaved in the instant case, missing deadlines and failing to copy papers being but two of the complaints.

16) Mr Xie points out that the website “mynowproducts.com” was registered on 4 July 2019, and according to the internet archive WAYBACK MACHINE was not used until 8 August 2020. He contends that NPL has not used the mark NOW PRODUCTS UK MADE but instead only used NOW PRODUCTS LTD. He states that he searched Amazon for a reference to NPL but he could only find TRG selling under NOW PRODUCTS on Amazon, and also claims that the Amazon Standard Identification Numbers (ASIN) on pages of the evidence of NPL predate the existence of the company. He also makes the same type of allegations regarding the eBay evidence of NPL.

17) Approximately ten days prior to the hearing Mr Xie filed a report by Cyfor Ltd, digital forensic experts who confirmed that a number of the exhibits relied upon by NPL are forgeries. Although no permission for such expert witness evidence had been sought I agreed to allow the evidence into the case as the allegations had been made previously, the report merely confirmed the allegations. I take into account the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross examination:

“Unchallenged evidence

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 rule [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 difficulty 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.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] *BusLR* 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

18) It is clear that I must consider any evidence filed by parties in a case before the Tribunal with a reasonable degree of scepticism. In the instant case, Mr Xie set out his criticisms of NPL's evidence in his first two witness statements. This has been supported by the report by a digital forensics expert company which was included in his third witness statement. To my mind it is telling that NPL have not responded in any way to these comments, other than at the hearing where Mr Qureshi accepted that the main exhibits relied upon were in fact created after the relevant date, although he contended that they showed the position as it was on the dates attached to the exhibits. This was not part of his witness statement, but the admission is clearly damning. When looking at their evidence I do not find it persuasive even if it had all been genuine, the fact that Mr Qureshi confirmed that a number of the documents were concocted after the relevant date merely means that the opponent failed to clear the first hurdle by an even greater margin than had all of the evidence been genuine. Having comprehensively failed to show that, as at the relevant date, it had goodwill in the mark shown below as claimed in its pleadings the invalidity action must fail.



19) The invalidity action under Section 5(4)(a) fails completely.

CONCLUSION

20) The invalidity action under section 47(2) has failed. The mark in suit will remain on the register.

COSTS

21) As Mr Xie has been successful he is entitled to a contribution to his costs. He sought costs above the normal scale including the costs of the expert witness report. However, he did not seek the permission of the Registry to obtain or file this evidence, merely presenting it as a fait accompli. Whilst NPL's evidence was back dated it was contented that this was only because they did not have copies from the actual dates, but the style had not altered and so they considered this was acceptable practice. I would have been more understanding had the witness statement been totally honest about this subterfuge.

22) I note that Mr Xie has represented himself throughout these proceedings which have been very acrimonious with both parties failing in their duty to copy in fully the other side and also bombarding the Registry with correspondence often of a vexatious nature. I am also aware that Security of Costs was sought and that the applicant for invalidity deposited £2,000 with the Registry shortly after the proceedings began. I award Mr Xie £1,000 which I believe fairly reflects the amount of effort that the case should have required. I therefore also order the Registry to repay £1,000 to Now Products Ltd. These sums to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 2nd day of December 2022

**G W Salthouse
For the Registrar
the Comptroller-General**