

**TRADE MARKS ACT 1994**

**IN THE MATTER OF:**

**APPLICATION No. 82817**

**IN THE NAME OF GREEN BABY LTD**

**FOR A DECLARATION OF INVALIDITY**

**IN RESPECT OF REGISTERED TRADE MARK No. 2341387**

**IN THE NAMES OF IMRAN HUSSAIN AND OTHERS**

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**DECISION**

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Registered Trade Mark No. 2341387

1. The word **TUSHIES** was registered on 3 September 2004, with effect from 21 August 2003, as a trade mark for use in relation to '*Baby wipes for cleaning purposes, impregnated with cosmetic, moisturising lotions*' in Class 3 and '*Babies nappies, paper products and wipes of paper*' in Class 16. The registered proprietors of the trade mark are Imran Hussain, Rizwana Hussain, Maariah Hussain, Danyaal Hussain and Zahra Hussain ('the Hussains').

Invalidity Application No. 82817

2. On 27 March 2007 Green Baby Ltd ('Green Baby') applied under Section 47 of the Trade Marks Act 1994 for a declaration to the effect that Registered Trade Mark No. 2341387 was invalidly registered. The objections to validity were, first, that the registration had been sought in bad faith and was therefore objectionable under Section 3(6) of the Act and, second, that the registration was objectionable under Section 5(4)(a) of the Act upon the basis that Green Baby was at the date of the application for registration entitled by virtue of the law of passing off to prevent use of the trade mark in the United Kingdom for goods of the kind specified in Classes 3 and 16.

3. The factual basis for the claimed entitlement to an earlier right was summarised in paragraph 1 of the Statement of Grounds filed in support of the application for a declaration of invalidity:

The Applicant for invalidity, Green Baby Limited, is the exclusive licensee of the well known product "TUSHIES". There is a US Trade mark registered in February 1993 to Brenda Schank. The Applicant has invested considerable sums of money in building brand recognition in the UK. The Applicant has established a reputation for quality products and has accordingly acquired considerable goodwill. The Applicant has marketed the product in the UK since 1999 and has been committed to raising the awareness of consumers regarding the origin of the "TUSHIES" brand. Since 2001, the total cumulate sales figure for the products sold under the "TUSHIES" brand is approximately £3.25 million.

4. The Hussains denied that the registration was invalid upon either of the bases alleged. They maintained that the trade mark had been innocently, honestly and lawfully

adopted, registered and used for the purposes of the business of their trading company Multibrands International Ltd.

5. It is positively asserted in Green Baby's Statement of Grounds that '*the proprietors of British Trade Mark number 2341387 had prior knowledge of the Applicant's use and reputation of the Mark*' (paragraph 2). However, Green Baby does not appear to have brought any proceedings for passing off against the Hussains or their trading company in respect of the use of the trade mark in dispute.

#### Progress of proceedings

6. The invalidity application proceeded under the rules in force prior to commencement of the Trade Marks Rules 2008 (on 7 July 2008). Matters proceeded smoothly down to 12 February 2008, when 7 April 2008 was appointed as the date for the substantive hearing. In and after March 2008 the proceedings lost momentum. The substantive hearing of the application was ultimately cancelled in order to make way for an interlocutory hearing, as indicated in the following timetable of events:

26 March 2007	Invalidity Action No. 82817 filed.
11 May 2007	TM8 and Counterstatement filed.
8 August 2007	Green Baby's evidence-in-chief filed.
12 November 2007	The Hussains' evidence filed.
20 December 2007	Green Baby's evidence-in-reply filed.
12 February 2008	Substantive Hearing appointed (7 April 2008).
13 March 2008	Green Baby notified of the Hussains' objection to its evidence-in-reply.
1 April 2008	Purported service of further evidence by Green Baby.

3 April 2008	Substantive Hearing cancelled.
7 April 2008	Original Substantive Hearing date.
12 May 2008	Interlocutory Hearing.
13 May 2008	Further written submissions on behalf of the Hussains.
16 May 2008	Further written submissions on behalf of Green Baby (faxed but not received by Hearing Officer).
20 May 2008	Hearing Officer's decision letter re. Interlocutory Hearing.
20 May 2008	Form TM5 filed on behalf of the Hussains requesting statement of reason for decision.
16 June 2008	Official letter confirming that Green Baby's further written submissions (16.5.08) had not been received.
3 July 2008	Official letter confirming that consideration of Green Baby's further written submissions (16.5.08) did not alter decision notified in decision letter (20.5.08).
16 July 2008	Hearing Officer's statement of reasons for decision.
12 August 2008	Form TM55 and Grounds of Appeal to Appointed Person filed on behalf of the Hussains.

7. The first precipitating factor in the loss of the original hearing date was the Hussains' objection to certain passages in Green Baby's evidence in reply which sought to cast aspersions on their commercial morality by reference to unpleaded allegations of questionable behaviour. This became a precipitating factor because Green Baby decided to fight for the right to retain the allegations in its evidence.

8. The second and more significant precipitating factor was the late filing of further evidence on behalf of Green Baby on 1 April 2008. This consisted of evidence which could and should have been filed in the normal course of the procedure for filing evidence under Rule 33A of the Trade Marks Rules 2000 (as amended). Indeed it consisted in large measure of evidence which ought to have been put forward as evidence in chief

under Rule 33A(1) in support of the averments made in its Statement of Grounds filed on 26 March 2007.

9. In a letter of 8 April 2008 it was stated on behalf of Green Baby that:

The reason why this evidence is late is that in reviewing the evidence submitted, our client decided to ask for independent third party confirmation of the position relating to our client's goodwill and reputation prior to 21<sup>st</sup> August 2003 and to investigate with James Thompson at Boots the allegations made in Rizwana Hussain's Witness Statement. Obviously, this information is not in our client's control and we still await confirmation in writing of the telephone conversation between our client and James Thompson at Boots.

Rizwana Hussain's Witness Statement had been filed on 12 November 2007. She had exhibited emails sent to James Thompson of Boots on 4 January 2005 (Exhibit RSH 5) and 15 February 2005 (Exhibit RSH 6). It is not clear when, in response to her evidence, he was contacted on behalf of Green Baby.

10. No application was made under Rule 68(5) for an extension of any of the times or periods allowed for the filing of evidence under Rule 33A. Rule 68(5) sets a particular standard for judging the acceptability of a request for extension of a time or period which has expired:

Where the request for extension is made after the time or period has expired, the registrar may, at her discretion, extend the period of time if she is satisfied with the explanation for the delay in requesting the extension and it appears to her to be just and equitable to do so.

Rule 33A(6) appears, when read in isolation, to provide the Registrar with a more generous power to admit late evidence:

The registrar may, at any time if she thinks fit, give leave to either party to file evidence upon such terms as she thinks fit.

This was the rule that Green Baby relied on as sufficient to permit it to adduce the further evidence it had put forward on 1 April 2008.

11. A number of points were raised on behalf of the Hussains with regard to the cogency of Green Baby's late filed evidence. In addition, they maintained that the final determination of the invalidity application would for no good reason be delayed if the further evidence was admitted into the proceedings and that they would, as a result of the delay, suffer prejudice which could not adequately be redressed by an award of costs in their favour. Dr. Moy of Appleyard Lees (their agents of record) provided a Witness Statement in which he referred to the incidence of such prejudice in the following terms:

3. Despite repeated requests in correspondence, the Applicant has provided no evidence of the reasons for the delay in attempting to file their latest evidence, nor reasons why such evidence was not available for submission at the appropriate time. The Applicant has alleged that the Registrants will suffer no prejudice if further evidence is admitted at this time. This is not true. The Registrants are being prejudiced in their business dealings by the ongoing delays in the present invalidity matter. Although the details of the relevant parties are not in the public domain and are subject to commercial confidence, I am informed by the Registrants and believe that they have had to put several new business opportunities on hold concerning the potential supply of TUSHIES-branded product to new and existing customers. For example, Rizwana Hussain was contacted on 6 April 2008 by a

buyer at a global retailer of products for children. The buyer wished to schedule a meeting to discuss the supply thereto of TUSHIES product. This meeting was declined and postponed until at least the end of May 2008, by which time it was originally expected that this Invalidity action would be concluded. The postponement was considered necessary whilst the present Invalidity action remained pending. In addition, a current customer of the Registrants' business, and a major UK supermarket chain, wished to extend their product range to include TUSHIES product. The customer contacted Rizwana Hussain to express this wish in February 2008. The Registrants were unable to commit to such supply at that time, given the pending Invalidity action, and the potential financial penalties should they fail to deliver. Finally, in January 2008, a major cash-and-carry operator already taking TUSHIES product wanted to run a Buy One Get One Free promotion to drive up sales. Again, this promotion and business opportunity was declined at that time, not least because the Registrants felt unwilling to sanction such promotions whilst the present Invalidity action remained pending. Clearly, business opportunities from potential and existing customers alike are coming up with regularity. The Registrants are having to postpone or turn down such opportunities whilst the present Invalidity action remains pending. There is the risk that potential new customers will be lost and existing customers will begin to look elsewhere. This risk will increase as the present proceedings are delayed further. Thus, although any delay causes prejudice to the Registrants, the extent of such prejudice will be exacerbated as the delay increases. Business opportunities, such as those detailed above, are being put off. Some of these opportunities may not return; others may disappear as the delays increase. Given that the Registrants will need time to respond if the late-submitted evidence of the Applicant is admitted into the present proceedings, the prejudice to the Registrants caused by the proceedings thus far will likely be increased if the evidence is admitted.

No evidence in answer was filed on behalf of Green Baby.

12. The questions for consideration at the interlocutory hearing on 12 May 2008 were: (1) whether the unpleaded allegations of questionable behaviour raised in Green Baby's evidence in reply should be struck out; and (2) whether Green Baby should be permitted to adduce the further evidence it had put forward on 1 April 2008. The hearing took place before Mrs. Ann Corbett acting on behalf of the Registrar of Trade Marks. She answered both questions in the affirmative for the reasons she gave in a written decision issued under reference BL O-204-08 on 16 July 2008.

#### The Hearing Officer's Decision

13. The Hearing Officer decided that nothing in the evidence adduced by the Hussains provided a basis for regarding the unpleaded allegations in Green Baby's evidence in reply as '*matters strictly in reply to the proprietor's evidence*' within the scope of Rule 33A(5). She therefore ordered the allegations to be struck out. She did not address the costs consequences of Green Baby's refusal to remove the allegations from its evidence voluntarily.

14. With regard to the request for permission to adduce further evidence under Rule 31A(6), the Hearing Officer referred to the judgment of Laddie J. In Hunt-Wesson Inc's Trade Mark Application [1996] RPC 233 (concerning the exercise of the power to allow further evidence to be adduced on appeal), my decision in Yosif Abdubrahman Al-Bassam Trading Establishment's Application (BL O-477-02, 25 October 2002) (concerning the exercise of the power to allow further evidence to be adduced in Registry proceedings under Rule 12(11) of the Trade Marks Rules 2000 prior to amendment) and the decision of the Registrar's Hearing Officer, Mr. David Landau, in Saville &



Holdsworth Trade Mark (BL O-050-08; 22 February 2008) (concerning the exercise of the power to allow further evidence to be adduced in Registry proceedings under Rule 31A(6) of the Trade Marks Rules 2000, as amended). She decided to adopt the reasoning of Mr. Landau's decision in Saville & Holdsworth.

15. At this point it is necessary to refer to what Mr. Landau said in paragraphs 30 to 32 of his decision in that case:

30) In the week prior to the date scheduled for the hearing Group applied to file additional evidence. The request was supported by an explanation as to why it had been decided to seek to file additional evidence. The reason behind the filing of the evidence is given below:

“Upon the advice from Counsel instructed to represent my clients at the hearing in this matter, I recently (January 2008) suggested to them that further internal enquiries be carried out to explore whether any further evidence of use of ‘Saville & Holdsworth’ materials could be located.”

31) Initially Consulting objected to the admission of the additional evidence but later agreed to its admission to avoid delays arising from interlocutory issues having to be addressed. At the hearing I allowed the additional evidence in. I was not swayed by the reasons for the filing of the additional evidence, which, in all honesty, are feeble. However, I was swayed by the fact of the additional evidence. Hearing officers have sometimes looked to the criteria for admission of additional evidence on appeal to decide whether to admit additional evidence. I do not consider that there is a particularly apt analogy to be made to the two sets of circumstances.

32) In admitting the evidence I considered the following factors. Could it possibly have an influence on the outcome of the case? I do not consider that it is necessary that it is a probability that the additional evidence would have an influence, just a possibility. I considered that the additional

evidence could have had an influence upon the outcome of the case. Could the filing of the additional evidence be viewed as an abuse of process? It could be that the additional evidence that a party wishes to file has already been shut out by a refusal of an extension of time. It cannot be appropriate to have the extension of time rules circumvented by the filing of additional evidence. In such circumstances the evidence could hardly be described as being additional. It could also be that the filing of the additional evidence is primarily a delaying tactic. I do not consider that there is any hint of an abuse of process being involved in this case. I also took into account that if I shut the evidence out it was quite possible that Group would apply to have it admitted into appeal proceedings, if there were any. So by shutting the evidence out there would be increased uncertainty. In admitting additional evidence the other party can be compensated in terms of costs, if it cannot be compensated in terms of delay and uncertainty. In this case I invited Consulting to file details of the costs incurred by the filing of the additional evidence within two weeks of the date of the hearing. Assuming that the details are filed, I will take the costs involved into account in the final award of costs.

It is clear from the context and content of these observations that Mr. Landau wished to explain why the Registrar was willing to accede to the unopposed application to adduce further evidence in the case before him, whilst recognising that the right response to such an application might in some other circumstances be: *'It cannot be appropriate to have the extension of time rules circumvented by the filing of additional evidence.'*

16. At paragraph 22 of her decision in the present case, the Hearing Officer rejected the suggestion that Green Baby's application for permission under Rule 33A(6) should be treated as if it were a request for a retrospective extension of time under Rule 68. Having noted (paragraph 21) that Green Baby accepted *'there was no compelling reason for the lateness of the evidence'* she commented as follows in paragraph 30:

It seems to me that the information given to explain the lateness of the request to file additional evidence is not strong. The wish to file additional evidence and the content of that evidence itself appears to have been identified only after a review of the evidence filed by the other side in preparation for the substantive hearing. Some of the exhibited material is dated March 2008 but no explanation is given to challenge the Hussains' view that the information within it could have been obtained earlier.

With regard to the significance of the further evidence she said (paragraph 31):

I consider that parts of the evidence are potentially significant given the grounds on which the application for a declaration of invalidity is made. (I put it no higher than that; it is, as I indicated in my after hearing letter to the parties, a matter for the Hearing Officer hearing the substantive case to determine at the appropriate time what weight, if any, should be given to any evidence he has before him).

She was not persuaded that Green Baby's application had resulted or would result in significant delay (paragraph 32):

That consideration of the request for leave to file additional evidence has caused a delay, is clear. But I do not consider it to have caused or be likely to cause any significant delay over and above that generated by the issue of the status of the evidence in reply.

The Hussains' objection based on prejudice resulting from delay was briefly addressed and rejected in paragraph 33:

I do not consider that admitting the evidence would cause any prejudice that could not, if necessary, be compensated by an award of costs. I should point out that Green Baby accepted that it would be expected to pay any reasonably

incurred costs which may be thrown away by its request to file the additional evidence. In my view it was right to do so.

17. Her determination under Rule 33A(6) was as follows:

34. Despite the lateness of the request, taking all relevant considerations into account and not without some hesitation, I decided, on balance, to grant Green Baby leave to file the additional evidence.

35. As a consequence, I also allowed the Hussains a period of six weeks to consider the evidence and file any additional evidence it might consider was necessary. That period has been suspended pending the preparation by me of this statement and pending any appeal against my decision.

36. I declined to make an award of costs at this stage but indicated that it remains open to the Hearing Officer in the substantive proceedings to take into account any additional award which may flow from my decision to admit the additional evidence and allow the Hussains to file additional evidence itself.

### The Appeal

18. The Hussains appealed to an Appointed Person under Section 76 of the 1994 Act contending primarily that the Hearing Officer had misapplied the power conferred upon the Registrar by Rule 33A(6). It was said in that connection that she had wrongly and unfairly relied on the reasoning of the Registrar's Hearing Officer in Saville & Holdsworth Trade Mark (above). Her reliance on that decision was said to have been wrong on the basis that it was not an appropriate source of guidance for the purposes of her decision in the present case and unfair on the basis that the parties had neither cited it to her nor been given an opportunity to comment on it before she decided to adopt the reasoning expressed in it.

19. Green Baby did not appeal the decision to strike out the allegations removed from its evidence in reply.

20. The Hussains separately contended that the Hearing Officer should have made orders providing for the immediate payment of costs in their favour, both in relation to their successful strike out application and (even if her decision to allow the late filing of further evidence was not liable to be reversed on appeal) in relation to the consequences of the delay in adducing the further evidence.

21. The argument at the hearing of the appeal centred on the question whether the power conferred by Rule 33A(6) could be exercised at any time during the course of proceedings under Rule 33 (Application for invalidation) independently of the provisions of Rule 68 (Alteration of time limits). The point being that the power to permit the filing of evidence under Rule 33A(6) would, if it was not exercised consistently and compatibly with the power to grant extensions of time for the filing of evidence under Rule 68, be liable to supplant the provisions of the latter rule and in particular the provisions of Rule 68(5). It appeared to me that the Registrar ought to be invited to submit written observations summarising his views as to the correct approach to the operation of Rule 33A(6) relative to the operation of Rule 68. I therefore gave the Registrar and the parties an opportunity to address the matter in writing following the hearing.

22. In written submissions on behalf of the Registrar, Mr. Allan James confirmed that in the Registrar's view Rule 33A(6) provides an unfettered discretion to admit evidence and is therefore not constrained by the requirements of Rules 33A(1) to (5) or Rule 68 of the Trade Marks Rules 2000 (as amended). He observed that:

The Registrar regards the purpose of Rule 33A(6) as being to provide a mechanism through which cogent and material evidence which, for whatever reason, has not been placed before the Registrar through the normal procedures, may still be considered before a first instance decision. The exercise of the discretion should of course, take account of all relevant factors. ...In essence, that comes down to balancing:

- (i) the materiality of the evidence reflecting the public interest in just decisions;
- (ii) the justification (if any) for putting the evidence forward at the time of the Rule 33A(6) application;
- (iii) fairness to the other party, measured by the extent of any prejudice caused to that party (particularly prejudice that cannot be remedied through costs).

On that basis the power conferred by Rule 33A(6) could, in appropriate circumstances, be exercised so as to vary or waive the requirements of Rules 33A(1) to (5), as shown by the decision of Mr. Geoffrey Vos QC sitting as a Deputy High Court Judge in Music Choice Ltd's Trade Mark [2006] RPC 13. That was a consequence of expressing Rule 33A(6) in broader terms than the rule it replaced (i.e. Rule 33(8) of the Trade Marks Rules 2000, in force until 5 May 2004). The power to allow evidence to be filed under Rule 33A(6) should not be conflated with the power to allow extensions of time for the filing of evidence under Rule 68. To do so would effectively render Rule 33A(6) redundant.

23. Counsel for Green Baby supported the position adopted by the Registrar. She emphasised that the power provided by Rule 33A(6) had existed in one form or another since at least 1906 (see Rule 57 of the Trade Marks Rules 1906) without giving rise to any perceived conflict with the co-existent power to grant extensions of time under the rules in force from time to time. She further emphasised that Rule 33A(6) must have

been intended to confer a broader power to admit evidence than the narrower rule it replaced. In summary, she maintained:

- (a) the Hearing Officer (despite her reference to *Saville & Holdsworth*) applied the right test – she addressed the 3 points from *Al Bassam (Lappet)* cited by Mr. James, equivalent to the three points set out in the transcript of this appeal hearing at pp.37-8;
- (b) that being so, it is not appropriate to disturb the conclusions that the Hearing Officer reached in the exercise of her discretion on appeal;
- (c) whilst the decision might have been more clearly/fully reasoned, it is not so wrong that it ought to be set aside on appeal;
- (d) alternatively, if the Hearing Officer erred in the test she applied, she nonetheless reached the right result: the lack of any extenuating circumstances to explain the delay in adducing the additional evidence is outweighed by the materiality of the evidence. The prejudice to the Appellants described by Dr. Moy is of their own making, and the Respondent accepts the inevitable consequences as to costs thrown away. The potential injustice caused by the exclusion of material evidence outweighs any prejudice to the Appellants. The quantum of costs should be reserved to be assessed after the main hearing;
- (e) that leaves only the Hearing Officer’s failure to deal with the costs of the application to strike out – which should sensibly also be reserved until all costs may be dealt with together.

24. Counsel for the Hussains maintained that Green Baby’s application to adduce further evidence under Rule 33A(6) was, in substance and reality, an application for a retrospective extension of the periods allowed for the filing of evidence in chief and evidence in reply. Therefore, it should have been determined in accordance with the principles applicable to the determination of such requests under Rule 68(5). Rule 33A(6) does not displace or provide an escape route from the requirements of Rule 68. In

situations where Rule 33A(6) is invoked for the purpose of achieving an outcome within the purview of Rule 68(5), the two rules ought to be interpreted and applied in the same way and to the same effect. Otherwise the requirements of Rule 68(5) are liable to be circumvented. It is no answer to that point to say that Rule 33A(6) can be invoked in situations beyond the reach of Rule 68(5). Notwithstanding that this was the effect of Rule 33A(6) being expressed in broader language than the rule it replaced, it does not follow that Rule 33A(6) operates as an overriding provision in relation to other provisions of the rules: E's Application [1983] RPC 231 (HL). On a correct application of the relevant principles to the facts of the present case, Green Baby's application for permission to adduce further evidence should have been refused.

#### Article 6(1) ECHR

25. On seeing the papers in the present case, I noted that Green Baby intended to be represented by Ms. Amanda Michaels of Counsel at the hearing of the Hussains' appeal. Ms. Michaels is one of a small number of persons appointed to hear and determine appeals from decisions of the Registrar of Trade Marks under Section 76 of the 1994 Act. I had in an earlier case raised the question whether there were any concerns as to the acceptability under Article 6(1) ECHR of a party being represented by one Appointed Person on appeal to another: Munroe's Trade Mark Application [2009] RPC 16. I considered it appropriate to enquire as to the stance of the appellants in the present case. It was confirmed on their behalf that they had no objection to Ms. Michaels representing Green Baby at the hearing of the appeal.



## Decision

26. Prior to amendment of the Trade Marks Rules 2000 in May 2004, Rule 33 provided for the filing of evidence in support of an application for invalidity under Rule 33(4), for the filing of evidence in answer under Rule 33(6) and for the filing of evidence ‘*confined to matters strictly in reply*’ under Rule 33(7) all with the intention of ensuring, as stated in Rule 33(8), that: ‘*No further evidence may be filed, except that in relation to any proceedings before her, the registrar may at any time if she thinks fit give leave to either party to file such evidence upon such terms as she may think fit*’.

27. On the face of it, the power to permit ‘*further evidence*’ to be adduced under Rule 33(8) was exercisable for the purpose of enabling a party to provide the Registrar with evidence additional to that which had already been filed under the preceding provisions of Rule 33. By implication there was no power to permit the filing of evidence under Rule 33(8) in circumstances where no evidence had been filed under the preceding provisions of Rule 33. That was confirmed by the reasoning of Patten J. in relation to the parallel provisions of Rules 31(4) to (8) in Lowden Trade Mark [2005] RPC 16 at paragraphs 19, 24 and 25 and in Argentum Trade Mark [2006] RPC 19 at paragraphs 17, 18. However, the reasoning of those decisions raised doubts as to the correctness of the more flexible approach which Mr. Richard Arnold QC had previously adopted in relation to Rules 31(4) to (8) in Moviestar Trade Mark [2005] RPC 26 at paragraphs 53 to 55.

28. Fortunately, this divergence of approach had become a matter of diminishing significance as a result of amendments made to the Trade Marks Rules 2000 with effect from 5 May 2004. Under new Rules 13C(5), 31A(6), 32A(6) and 33A(6) the Registrar’s

power to admit evidence was exercisable where no evidence had yet been filed in the case at hand: see Music Choice Ltd's Trade Mark (above) at paragraphs 61 to 64. Which is not to say that the Registrar was thereby empowered to thwart the intended effect of any other provisions of the Rules: E's Application (above).

29. After amendment of the Trade Marks Rules 2000 in 2004, an invalidity application was accorded an '*initiation date*' if it was filed and defended in accordance with the requirements of Rule 33. The timetable for the filing of evidence under Rules 33A(1) to (5) commenced on that date. There would in the normal way be evidence in support of the application under Rule 33A(1), evidence in answer under Rule 33A(4) and evidence '*confined to matters strictly in reply to the proprietor's evidence*' under Rule 33A(5). The opportunity to adduce evidence in reply in UK Intellectual Property Office proceedings has long been restricted in that manner. That is for two main reasons. First, the restriction serves to ensure that "*if an [applicant] has a case he should straight away state what his case is and should put in declarations dealing with any evidence which he thinks may be relevant to that case*" so that the proprietor may then have a proper opportunity to answer the case that has been raised against him: see Ernest Scragg & Sons Ltd's Application [1972] RPC 679 at p.682 lines 19 to 22 per Graham J. Second, it helps to secure finality in the pre-hearing procedure: Ford Motor Company Ltd (Nastas's) Application [1968] RPC 220 at p.225 per Lloyd Jacob J.

30. However, it remained possible for an invalidity application to be filed and defended without being accorded an '*initiation date*' under Rule 33. That would occur if the proprietor of the relevant trade mark had not filed a Form TM8 and Counterstatement

within the unextendable period of six weeks allowed by Rule 33(6), but had nevertheless been permitted to defend the application for invalidity in the exercise of the Registrar's discretion to allow the proceedings to continue under that Rule. In that event, the timetable for the filing of evidence would not be set by the provisions of Rules 33A(1) to (5), but by the Registrar in the exercise of the power conferred by Rule 33A(6). Which is precisely what happened in the Music Choice case: see [2006] RPC 13 at paragraphs 65 to 68 and 73 to 75.

31. Irrespective of whether the timetable for the filing of evidence was set by the provisions of Rules 33A(1) to (5) or by the Registrar under Rule 33A(6), it could be altered in response to a request on Form TM9 for an extension of time under Rule 68. The request would be made under Rule 68(1)(a) in the former situation or under Rule 68(1)(b) in the latter situation. In either case, it would be necessary for the Registrar to deal with the request in accordance with the provisions of Rule 68(5) if it was made after the relevant time or period had expired. The principles on which extensions of time are liable to be granted or refused in the exercise of the Registrar's discretion under Rule 68 are firmly established. They are not in dispute on this appeal.

32. I think it is clear that when times or periods have been prescribed or specified as part of a timetable for the filing of evidence they should be altered (if at all) under Rule 68. That is to be contrasted with the position under Rule 33A(6) where the question is not whether the Registrar should alter the timetable for implementing a previously allowed opportunity to file evidence under the rules, but whether he should provide an(other) opportunity not otherwise available under the rules for the filing of evidence in

accordance with a timetable yet to be specified. Metaphorically speaking, Rule 33A(6) operates upstream of Rule 68 with regard to the filing of evidence in invalidity proceedings. So when a prescribed or specified timetable for the filing of evidence has run its course, a request to re-open the evidence should be made under Rule 33A(6). If the Registrar permits the evidence to be re-opened, he may do so on terms which set a timetable for the filing of further evidence. Any request for alteration of that timetable should thereafter be made under Rule 68 rather than Rule 33A(6) for the reasons I have indicated.

33. In the submissions addressed to me on behalf of the parties and the Registrar it is in varying degrees assumed that the power to admit evidence under Rule 33A(6) and the power to alter a timetable for the filing of evidence under Rule 68 are different powers exercisable according to different criteria. However, the two rules appear to me to serve a common purpose with regard to the filing of evidence. Between them they enable the Registrar to (re-)establish and (re-)calibrate timetables for the filing of evidence in individual cases with due regard for the overriding objective of dealing with cases justly.

34. The considerations identified in Rule 68(5) are not uniquely relevant to the operation of that rule. I recognise that the exercise of the power conferred by Rule 68(5) is conditional upon the Registrar being '*satisfied with the delay in requesting the extension*' whereas the powers conferred by Rule 33A(6) and by other provisions of Rule 68 appear to be exercisable notwithstanding that there may have been delay on the part of the applicant which cannot satisfactorily be explained. However, this is all consistent with the consideration which ultimately controls the exercise of the Registrar's powers

under Rule 33A(6) and Rule 68 being whether it would be just to proceed as requested. When deciding whether to exercise the power conferred by either Rule it is necessary to consider the likely impact of, on the one hand, acceding to the request and, on the other hand, refusing the request. That includes the impact on the conduct and effectiveness of the proceedings as well as the impact upon the particular situations of the individual parties. The decision under either rule is bound to be fact sensitive and case specific. If the request is for an opportunity to file further evidence, the materiality of the evidence in question to the issues that the Registrar has to decide and the justification (if any) for not putting it forward prior to the date of the request will need to be given appropriate weight in the overall assessment of where the balance of justice lies.

35. The approach to assessment I have just outlined may result in the filing of evidence that would not be admitted if it was being tendered for the first time on appeal. That again is consistent with the overriding objective of dealing with cases justly. It also accords with the policy underlying the restrictive approach to the admissibility of fresh evidence on appeal which, as pointed out by Laddie J. in Dualit Ltd v. Rowlett Catering Appliances Ltd [1999] FSR 865 at 870, is intended to promote effective decision taking at first instance:

...proceedings before the Registry are not a dry run to test out the evidence to see which parts can be criticised so that the evidence can then be perfected for the purpose of the proper run before the High Court. It is important for parties to realise that the function of the Registry is to examine applications and to consider oppositions, and that they must put before the Registry the material which is to be relied upon in support of their cases. In my view, it is just as important that it is brought home to litigants that they must put the best evidence available to them before the Registry as

it is to ensure that the appeal is a fair resolution of the dispute between the parties.

36. The observations of the Registrar's Hearing Officer in Saville & Holdsworth Trade Mark (above) were fact sensitive and case specific with regard to his exercise of the power conferred by Rule 33A(6). They do not constitute an all-purpose statement of principle or practice under that Rule. When the Hearing Officer in the present case said that she had decided to adopt the reasoning in Saville & Holdsworth I think she was, in effect, saying that she thought the similarities between the situation in that case and the situation in the present case were sufficient to warrant the same outcome in both cases.

37. The fact that she linked her approach in the present case to the approach adopted in Saville & Holdsworth does not appear to me to have been objectionable on the ground of procedural unfairness. A decision may be open to objection on that ground if it is based on material which the decision taker has brought to bear independently of the parties and without giving them an opportunity to consider and respond to it: Xe Trade Mark [2000] RPC 405. That might include material in the form of the legal analysis set out in a judgment which the decision taker has relied on without drawing it to the attention of the parties and inviting submissions upon it: Silver Spring Mineral Water Co. Ltd's Trade Mark Application [2003] RPC 21. However, it is wrong to suppose that any failure on the part of the decision taker to refer the parties to relevant case law necessarily renders the proceedings unfair: Clark v. Clark Construction Initiatives Ltd [2008] EWCA Civ. 1446 (17 December 2008); Stanley Cole (Wainfleet) Ltd v. Sheridan [2003] EWCA Civ. 1046 (25 July 2003). The question in every case is whether the decision taking process has been rendered substantially unfair by the decision taker's reliance on the case

law in question. I do not think that the decision taking process in the present case can realistically be said to have been rendered substantially unfair by the Hearing Officer's citation of the uncanvassed decision in Saville & Holdsworth. In her analysis it really only functioned as an example of the approach she wanted to adopt in relation to the exercise of the Registrar's power under Rule 33A(6).

38. The main factors which the Hearing Officer was required to consider and weigh according to their relative importance in the circumstances of the application before her were as follows:

- (1) the further evidence put forward by Green Baby could and should have been filed in the normal course of the procedure for filing evidence under Rule 33A;
- (2) there were no extenuating circumstances to explain the delay in putting it forward;
- (3) the evidence substantially assisted Green Baby to advance its case;
- (4) the application for permission to adduce it involved an attempt to re-open the evidence six days prior to the date originally set for the substantive hearing of the application for a declaration of invalidity;
- (5) the proposed re-opening of the evidence would increase the costs of the proceedings and give rise to delay;
- (6) the Hussains were entitled to complain of the burden of costs and delay that this would inflict upon them;

- (7) adverse economic effects of the kind described in Dr. Moy's Witness Statement (see paragraph 11 above) could not be redressed by means of an award of costs.

I can see that the Hearing Officer ultimately decided that the materiality of the late-filed evidence was sufficient to outweigh all other factors. However, it does not appear to me that the other factors were all fully accounted for in her decision.

39. In particular, the factor I have referred to at (7) in the preceding paragraph was not fully and correctly evaluated in the decision under appeal. There are a number of points which need to be made in relation to it:

- (1) the evidence given by Dr. Moy appears to equate the economic interests of the Hussains with those of their trading company Multibrands International Ltd (a non-party);
- (2) it indicates that the existence of the dispute as to which of the parties has the better right to use the trade mark **TUSHIES** has had a chilling effect on commercial dealings under that mark;
- (3) it is not possible for the Registrar to award compensation to the Hussains or Multibrands International Ltd for the adverse economic effects upon them of Green Baby's decision to exercise its legal right to claim a declaration of invalidity in the present proceedings: see Gregory v. Portsmouth City Council [2000] 2 WLR 306 (HL);



- (4) moreover the final decision in the present proceedings (in which no injunction can be granted to prevent either Green Baby or the Hussains from using the trade mark **TUSHIES**) will not necessarily terminate the dispute as to which of them has the better right to use that mark;
- (5) it is therefore relevant to bear in mind that the existence of the present proceedings is not a bar to an action by either party claiming protection by way of injunction for whatever rights they might be entitled to assert against the use of that trade mark by the opposite party;
- (6) it is for that reason appropriate to observe that no such action appears to have been commenced by either party in relation to the use of the trade mark **TUSHIES** by the other;
- (7) there is also no evidence ascribing any decision to commence or refrain from commencing any such action to the progress or lack of progress in bringing the present proceedings to a conclusion;

The situation thus presented for evaluation was one of harmful economic effects resulting from the existence of a dispute incompletely covered by the proceedings in the Registry, where the proceedings in the Registry would not help to put an end to that dispute if they culminated in a determination which did not appear to both parties to be well-founded.

40. In that state of affairs I believe that failing to reach a well-founded determination was likely to be a greater evil than delaying a well-founded decision, with delayed failure

to reach a well-founded decision being the worst possible outcome for all concerned. From that perspective, it was clearly necessary for the Hearing Officer to consider the utility of allowing the late evidence to be adduced.

41. If the Hearing Officer had been called upon to determine Green Baby's application under Rule 33A(6) at the substantive hearing scheduled to take place on 7 April 2008, she would have had no alternative but to decide whether the case for allowing the application was strong enough to justify the adjournment that would inevitably be required for the purpose of giving the Hussains a proper opportunity to respond to the further evidence. It would not have surprised me if she had at that point decided to refuse the application and (having struck out the parts of Green Baby's evidence under Rules 33A(5) to which the Hussains had objected) proceeded with the hearing. However, that is not the setting in which the Hearing Officer was actually required to determine the fate of the application under Rule 33A(6). By the time it came on for hearing before her (on 12 May 2008) the date originally set for the substantive hearing of the proceedings (7 April 2008) had already been lost. So the question confronting the Hearing Officer was not whether the substantive hearing should be cancelled, but whether the matter should be re-fixed for hearing on a timescale which would allow sufficient time for the further round of evidence contemplated by Green Baby's application.

42. I understand from the correspondence I have seen (letters from Appleyard Lees on behalf of the Hussains and from Hamlins LLP on behalf of Green Baby, sent to the Registry on 2 April 2008) that the hearing due to take place on 7 April 2008 was cancelled at the request of both parties following a telephone conversation with the

Registry in which Appleyard Lees on behalf of the Hussains had been offered two options:

- (1) continue with the hearing scheduled for 7 April 2008, deciding on the admissibility of the further evidence submitted by Green Baby as a preliminary point and then immediately proceeding with the substantive hearing; or
- (2) adjourn the matter for two weeks and, if the parties cannot agree, schedule an interlocutory hearing on the issue of the application to adduce further evidence and then schedule a further main hearing.

The first option involved a risk of procedural unfairness to the Hussains which they should not have been asked to accept as a pre-condition of maintaining the original hearing date. They ought to have been informed that Green Baby's application under Rule 33A(6) would be considered at the hearing scheduled for 7 April 2008, with the need for any adjournment being fully addressed as an aspect of that application. In view of the Registrar's apparent unwillingness to approach the matter in that way, the Hussains reluctantly accepted the second option. That changed the dynamics of the application under Rule 33A(6) in the way I have described in the preceding paragraph.

43. However, I must keep in mind that the present appeal is not directed to any decision expressed in the offering of the options which resulted in the cancellation of the substantive hearing. It is directed to the outcome of the interlocutory hearing which subsequently took place on the basis of the second option on 12 May 2008. The cancellation of the earlier hearing is therefore a given for the purposes of the decision

under appeal. That being so, I am moved to a position in which I must ask myself whether, in view of the matters I have referred to in paragraphs 38 and 39 above, it was open to the Hearing Officer to decide that the balance of justice favoured a re-fixing of the substantive hearing on a timescale which would allow for the further round of evidence contemplated by Green Baby's application under Rule 33A(6). In essence, she concluded that the burden of injustice was liable to be greater going forward if permission to adduce the late evidence was refused than it would be if permission was granted. I cannot say that this was a conclusion she was not entitled to reach in the particular circumstances of the application before her. In the result I consider that her decision under Rule 33A(6) should be upheld notwithstanding that it was reached upon the basis of reasoning that was vulnerable to re-assessment in the respects I have indicated above.

44. That brings me to the appeal on costs. In her post-hearing decision letter dated 20 May 2008 the Hearing Officer stated as follows: *'Having considered submissions in respect of costs, I decline to make an award at this stage. That said, it remains open to the Hearing Officer to take into account any additional award, flowing from my decision to admit additional evidence and allow the registered proprietor to file further evidence, in his consideration of costs at the completion of the proceedings'*. She adhered to that approach in paragraph 36 of her decision issued under reference BL 0-204-08 on 16 July 2008 (see paragraph 17 above).

45. The post-hearing decision letter and the decision subsequently issued on 16 July 2008 were silent as to the costs of the successful application to strike out parts of Green Baby's evidence in reply. It would have been appropriate for the Hussains to write to the

Hearing Officer asking her to state explicitly what she had decided to do about those costs. The less efficient way of dealing with the matter was to treat the omission of any reference to those costs as an error which needed to be redressed by way of an appeal under Section 76 of the Act. Nevertheless, since it forms part of the Hussains' appeal on costs, I must deal with it in that connection.

46. I think that the Hearing Officer intended to reserve, for determination by the Registrar at the conclusion of the proceedings, the whole question of how and by whom the costs relating to both of the applications before her should be borne and paid. However, that does not appear to me to have provided the Hussains with full and proper protection for their position on costs. They were forced to apply successfully for the unpleaded allegations in the evidence in reply to be struck out. The costs of and occasioned by the inclusion of those allegations and the attempt to retain them in the evidence in reply should clearly have been theirs in any event, with any costs incurred by Green Baby in that connection being disallowed as surplus to the reasonable and proper conduct of the proceedings. The costs in question would include those of dealing with the allegations in the run up to the hearing set for 7 April 2008 and thereafter in connection with the hearing of the strike out application on 12 May 2008.

47. Green Baby's application under Rule 33A(6) was to all intents made for the purpose of obtaining relief in respect of its own failure to exercise due diligence in the procedure for filing evidence under Rules 33A(1) to (5). The Hussains were fully entitled to ask the Registrar to rule on the acceptability of that application in the light of the matters they raised in opposition to it. I think that the costs of and incidental to the

application should clearly have been the Hussains' in any event, with any costs incurred by Green Baby in that connection being disallowed as surplus to the reasonable and proper conduct of the proceedings. The costs of and incidental to the application would include those of dealing with it in the run up to the hearing set for 7 April 2008 and thereafter in connection with the hearing of the application on 12 May 2008.

48. It is reasonable for the amounts to be awarded in respect of the above-mentioned costs (and any appropriate directions for set off against other sums) to remain open for determination by the Registrar at the conclusion of the proceedings. These are matters on which the Registrar will wish to provide for submissions to be made in due course.

### Conclusion

49. For the reasons given above I determine:

- (1) that consequent upon the Hearing Officer's decision to strike out the unpleaded allegations included in Green Baby's evidence in reply under Rule 33A(5), the costs of and occasioned by their inclusion and the attempt to retain them in the evidence in reply are to be the Hussains' in any event and the costs incurred by Green Baby in that connection are to be disallowed;
- (2) that the costs of and incidental to Green Baby's application for permission to file further evidence under Rule 33A(6) are to be the Hussains' in any event and the costs incurred by Green Baby in connection with that application are to be disallowed;

- (3) that the amounts to be awarded in respect of the costs referred to in (1) and (2) and any appropriate directions for set off against other sums are to be determined by the Registrar at the conclusion of the proceedings in the Registry;
- (4) that save to the extent indicated in (1) to (3) above the Hussains' appeal to an Appointed Person under Section 76 of the 1994 Act is dismissed.

50. Neither party has been wholly successful on appeal. Each side needed to modify the reasoning of the Hearing Officer's decision in order to advance their case in support of the outcome they were arguing for. They made headway against each other in that connection. In doing so they were obliged to address issues of interpretation on which it would not be realistic to view them as winners or losers in the light of my analysis of the relevant rules. I think that the measure of success achieved by Green Baby would be adequately reflected in an order leaving the parties to bear their own costs of the appeal. I therefore make no order with regard to the costs of the appeal.

Geoffrey Hobbs QC

16 September 2009

Ms Jacqueline Reid instructed by Appleyard Lees appeared as Counsel on behalf of the Hussains.

Ms Amanda Michaels instructed by Hamlins LLP appeared as Counsel on behalf of Green Baby.

Mr Allan James provided written observations on behalf of the Registrar.