

TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 82334

IN THE NAME OF HOKOCHEMIE GmbH

FOR REVOCATION OF TRADE MARK No. 1363050

IN THE NAME OF HOKKO CHEMICAL INDUSTRY CO. LTD

DECISION

Trade Mark No. 1363050

1. Hokko Chemical Industry Co Ltd (*the Proprietor*) is the proprietor of the following trade mark:



registered on 13 March 1992 with effect from 9 November 1988 for use in relation to:

chemical products in Class 1 for use in the manufacture of

- perfumery
- plastics

- resins
- medical products
- polymer membranes
- polymer catalysts
- electroconductive materials

and of

- photosensitive materials

subject to the following disclaimer:

Registration of this mark shall give no right to the exclusive use of the words 'Chemical Industry Co Ltd'.

Revocation Application No. 82334

2. On 23 November 2005, Hokochemie GmbH (*'the Applicant'*) applied for revocation of the registration of the above trade mark on the ground that it had not at any time subsequent to 13 March 1992 been used by or with the authorisation of the Proprietor for any goods of the kind in respect of which it was registered. Revocation was requested with effect from 12 October 2005 under Section 46(1)(b) of the Trade Marks Act 1994 and with effect from 13 March 1997 under Section 46(1)(a) of the Act (although the earliest date with effect from which the registration could actually be revoked under the latter provision is 14 March 1997: see BSA by R2 Trade Mark [2008] RPC 22, p.496, at paragraphs 31 to 37).

3. In the Statement of Grounds in support of the application for revocation it was pleaded (with emphasis added by me) that:

3. Investigation had revealed that trade mark 1363050 has not been put to use for at least an uninterrupted period of five years prior to 12 October 2005.
4. With letter dated 12 October 2005 the registered agents for the trade mark 1363050 have been informed that Hokochemie intends to apply for revocations on grounds of non-use and been invited to provide appropriate proof in case Hokochemie's view of non-use is erroneous. An initial deadline of 15 November 2005 was given.
5. The registered agents responded by providing alleged commercial invoices which in Hokochemie's view did not prove that the trade mark was put to genuine use and which were not in relation to the goods covered by the trade mark.
6. The agents were immediately advised by facsimile dated 15 November 2005 about Hokochemie's view of the matter and invited to explicitly state what products of the trade mark product list the alleged proof they provided relates to.
7. Hokochemie also challenged the reality of the transactions claimed by the proprietor as no documents other than verifiable documents such as customs documents were provided and due to blackening of essential but not commercially sensitive data no verification was possible.

4. In its Counterstatement the Proprietor responded to these averments in the following terms:

3. The Registered Proprietor believes that the non-use investigation conducted on behalf of Hokochemie GmbH is questionable and puts the Applicant to specific proof thereof.

4. The Registered Proprietor acknowledges receipt of Hokochemie GmbH's letter of 12 October 2005.

5. The Registered Proprietor refutes and rejects the view of Hokochemie GmbH put forward in paragraph 5 of the Amended Statement of Grounds.

6. The Registered Proprietor maintains its right to protect the identity of its customers and consignees in the UK as well as the value of its sales, which has been put under scrutiny by Hokochemie GmbH in paragraph 7 of the Amended Statement of Grounds. This is commercially sensitive and confidential information that the Registered Proprietor should not be compelled to share with the Applicant.

7. The Registered Proprietor has put the mark registered under No. 1363050 to genuine use in the United Kingdom during the past five years in respect of all or most of the goods covered therein. This is demonstrated in the accompanying Witness Statement of James Terence McAllister and Exhibits JTM1-JTM12 thereto.

The evidence

5. Evidence intended to establish use of the trade mark in question during the period 25 November 2001 to 25 November 2005 was given in a witness statement of James McAllister with 12 exhibits dated 15 March 2006. Mr. McAllister is employed by the Proprietor's agents of record. He stated as follows in paragraphs 2, 3, 24 and 28 of his witness statement:

2. The facts in this my Witness Statement have been extracted from the Registered Proprietor's records and provided to us by the Registered Proprietor's Japanese attorneys. As far as I am aware they are both true and correct.

3. I am duly authorised to make this Witness Statement on behalf of the Registered Proprietor.

...

24. The various copy invoices filed as Exhibits hereto have been altered to blank out the information deemed to be confidential and of a commercially sensitive nature to the Registered Proprietor's business in the UK. If necessary, unaltered copies will be made available to the Trade Mark Registry (alone) on a confidential basis.

...

28. The registered mark in issue has been put to genuine commercial use in the UK during the period of five years preceding the filing date of the Application for Revocation, and such use has been in relation to all or most of the goods covered by registration No. 1363050.

6. The Applicant's evidence in response consisted of a witness statement of Dr. Wolfgang Munk with 8 exhibits dated 14 June 2006. Dr. Munk is the Managing Director of the Applicant. He holds a PhD in chemistry from the Swiss Institute of Technology.

7. In paragraphs 5 to 26 of his Witness Statement under the heading *Non-submission of appropriate proof of use prior to Application for Revocation* he criticised the Proprietor for submitting evidence of use in the form of a witness statement from someone who clearly had no personal knowledge of the commercial activities to which he had referred and whose evidence did not establish that anyone in the Proprietor's organisation with first hand knowledge of those activities had made themselves responsible for the truth and accuracy of the information which had been provided for the purposes of the present proceedings.

8. In paragraphs 27 to 29 under the heading *Facts casting doubt on the authenticity of the invoices* he gave reasons for believing that the invoices submitted on behalf of the Proprietor were ‘*not true and correct*’.

9. In paragraphs 30 to 36 under the heading *Extent of use claimed by the Registered Proprietor* and in paragraphs 37 to 44 under the heading *Products and services claimed to be covered by the commercial invoices produced* he gave reasons for disputing that the trade mark had been used, as the Proprietor maintained, for all or most of the different types of chemical product specified in its registration.

10. The Proprietor filed evidence in reply in the form of a witness statement of Yuji Ogawa dated 5 February 2007. Mr. Ogawa has been employed by the Proprietor for about 30 years and has been General Manager of its Fine Chemical Marketing Department since 2005. His witness statement was written in English using terminology that was highly unlikely to have come from the witness himself. Moreover, the witness statement did not describe Mr. Ogawa’s proficiency in written and spoken English or explain the extent to which he had been assisted in the preparation of it by native English speakers. In terms of content, the witness statement was dismissive of Dr. Munk’s criticisms and supported the Proprietor’s assertion that its trade mark had been used ‘*in relation to all or most of the goods*’ covered by the registration in suit.

11. The Applicant filed a further witness statement of Dr. Munk with 1 exhibit dated 2 May 2007.

12. In paragraphs 7 to 13 under the heading *Formal aspects of Witness Statement of Yuji Ogawa* he submitted that Mr. Ogawa's witness statement was deficient and should be disregarded. In Section B under the heading *History of the registered proprietor of obstructing the law* he accused the Proprietor of pursuing a strategy of:

- a) inaction;
- b) not commenting on the actual use of the elements of their list of product and services of their trade mark;
- c) submission of manipulated "evidence";
- d) prolonging the procedure in order to vexatiously create a maximum burden for the adverse party.

In Sections C and D he made itemised comments on points raised in Mr. Ogawa's witness statement. In doing so, he continued to maintain that the Proprietor was attempting to rely on false and misleading evidence.

Request for Cross-examination

13. By letter dated 18 May 2007 the Applicant applied to the Registrar for an order for cross-examination of Mr. Ogawa. The application was made upon the general premise that the Applicant *'has severe doubts as to the accuracy and truthfulness of various part of the statements contained in the said Witness Statement and it appears necessary – particularly as the Witness did not opt for an Affidavit – to proceed to a cross-examination of the Witness'*. The Applicant provided a non-limitative list of points on which it wished to cross-examine Mr. Ogawa, including *'whether the language capabilities of the witness are sufficient'* to enable him to read, consider and comment in

English upon Dr. Munk's first witness statement and the 8 exhibits thereto. The Proprietor opposed the request for cross-examination. The Registry informed the parties of the Registrar's preliminary view that the cross-examination of Mr. Ogawa should be allowed. The Proprietor then requested a hearing under Rule 54. This took place, by video link, on 2 August 2007 before Mr. C.J. Bowen acting on behalf of the Registrar. The Hearing Officer refused the request for cross-examination for the reasons he gave in a written decision issued under reference BL O-270-07 on 14 September 2007. He made no order for costs in relation to the refused application.

14. In accordance with the guidance provided by the judgment of Ferris J. in Alliance & Leicester Plc v. Lombard Bank Ltd [2002] RPC 29 and by the Registry's Work Manual he confirmed that where a party wishes to cross-examine another party's witness they should, within reason, be allowed to do so. He nevertheless considered that the request to cross-examine Mr. Ogawa was not '*valid on its face*' (paragraph 24) because the points of concern to the Applicant as identified in its letter of 18 May 2007 did not provide an '*appropriate*' basis for acceding to the request (paragraph 25).

15. It is not necessary to dwell on the Hearing Officer's assessment of the minor points raised in the Applicant's letter. The two main points were its challenge to the accuracy and truthfulness of Mr. Ogawa's witness statement and its challenge to his ability to read, consider and comment in English upon Dr. Munk's first witness statement. In relation to the first main point, the Hearing Officer said:

Mr. Ogawa's evidence which is provided in the form of a witness statement accompanied by a statement of truth is

acceptable under the Trade Marks Act and Rules and is consistent with the majority of evidence filed by parties to proceedings in the Trade Marks Registry; there is no necessity for him to file his evidence by way of Affidavit.

This quite simply failed to address the Applicant's contention that the accuracy and truthfulness of Mr. Ogawa's witness statement were open to '*severe doubt*' (see paragraph 18 above). In relation to the second main point, the Hearing Officer said:

This concern could be addressed by the filing of a further witness statement by Mr. Ogawa attesting to his language capabilities.

However, he made no order under Rule 57 requiring the Proprietor to file such a witness statement.

The Appeal

16. The Applicant gave Notice of Appeal to an Appointed Person under Section 76 of the Act raising various objections to the adequacy of the Hearing Officer's reasoning and disputing the procedural and substantive validity of his decision. Shortly stated, the question raised by the appeal was whether the Hearing Officer had failed to apply the correct test under Rule 55 of the Trade Marks Rules 2000 and as a result of doing so had wrongly refused the Applicant's request for cross-examination. In order to clear the way for the correct test to be applied under Rule 55 it was (and going into the appeal it remained) necessary to deal effectively with several matters of case management.

17. Applications to cross-examine witnesses in Registry proceedings are apt to reveal the need for additional directions as to the further conduct of the proceedings and are for that reason best dealt with in the wider context of a Case Management Conference convened under Rule 36 or a Pre-hearing Review appointed under Rule 37. The present case is a case in point. The need for additional case management directions was clear and could not be ignored. I therefore exercised the powers available to me under Rules 57 and 65(4) so as to bring about the following clarifications and elaborations of position and intent:

- (1) I directed the Proprietor to file a witness statement producing (and therefore introducing into evidence) clean and clear unredacted copies of the previously redacted invoices exhibited to the witness statement of James McAllister dated 15 March 2006, this to be done by 19 February 2008. A witness statement of James McAllister dated 18 February 2008 was filed in compliance with this direction.
- (2) I directed the Proprietor to file a schedule specifying in relation to each of the 8 categories of chemical products for which Trade Mark No. 1363050 is registered:
 - (a) whether the registration is defended on the basis of use within that category during the period 24 November 2000 to 24 November 2005; and if so
 - (b) identifying the evidential material relied upon in defence of the registration in that category by reference to exhibit numbers, pages within exhibits, paragraph numbers and statements in paragraphs in the evidence already on file;

this to be done by 11 March 2008. A schedule was filed on 6 March 2008 in compliance with this direction.

- (3) I directed the Proprietor to file a further witness statement from Mr. Ogawa explaining his ability to communicate and understand communications in English and explaining (without disclosing any privileged matters) the process by which his witness statement dated 5 February 2007 was prepared, this to be done by 25 March 2008. A second witness statement of Yuji Ogawa dated 17 March 2008 was filed in compliance with this direction.
- (4) I directed the Proprietor to consider whether there were any passages in Mr. Ogawa's witness statement dated 5 February 2007 that it would be willing to redact voluntarily in order to take some of the tension out of the present dispute and if so to give notice of voluntary redaction, this to be done by 25 March 2008. No voluntary redactions were notified under this direction.
- (5) I directed the Applicant to file a schedule separately identifying each document exhibited to Mr. McAllister's witness statement dated 15 March 2006 which was alleged to be a fabrication and in relation to each document so identified stating in sequentially numbered reasons why that document was alleged to be a fabrication, this to be done by 26 February 2008. A schedule identifying 14 documents accompanied by a table of sequentially numbered reasons for alleging each of them to be a fabrication was filed in compliance with this direction on 25 February 2008.

- (6) I directed the Applicant to formally notify the Registrar, the Registered Proprietor and this Tribunal whether it did or did not intend to apply for Mr. McAllister's witness statement dated 15 March 2006 to be struck out and if it did intend to apply for the witness statement to be struck out, to provide a summary in successively numbered paragraphs of the grounds upon which the application to strike out would be made, this to be done by 26 February 2008. By letter dated 25 February 2008 the Applicant gave notice in compliance with this direction stating that it did not intend to apply for the witness statement to be struck out.
- (7) I directed the Applicant to consider whether there were any passages in the witness statements of Dr. Wolfgang Munk dated 14 June 2006 and 2 May 2007 that it would be willing to redact voluntarily in order to take some of the tension out of the present dispute and if so to give notice of voluntary redaction, this to be done by 25 March 2008. No voluntary redactions were notified under this direction.

18. The information provided in compliance with my directions establishes that the application for revocation is not being defended on the basis of any evidence directed to use of the trade mark in question for chemical products in Class 1 for use in the manufacture of polymer membranes, polymer catalysts, electroconductive materials or photosensitive materials. In so far as it is defended on the basis of evidence directed to use in relation to chemical products in Class 1 for use in the manufacturer of perfumery, plastics, resins and medical products, the evidence in question includes documents which

are alleged by the Applicant to be fabrications for the reasons stated in the table accompanying the schedule it filed on 25 February 2008.

19. Taken at face value, the second witness statement of Yuji Ogawa dated 17 March 2008 establishes that his first witness statement dated 5 February 2007 was finalised by him, using English language versions without translations into Japanese of: (1) a draft witness statement provided by the Proprietor's agents of record for him to read, consider and amend as he wished; and (2) Dr. Munk's witness statement with 8 exhibits dated 14 June 2006 which he read and referred to in his witness statement of 5 February 2007. With the degree of fluency in English which Mr. Ogawa claims to possess, it appears to be possible for him to give answers in English to questions asked of him in English by reference to technical and commercial documents written in English. Mr. McAllister's witness statement is fully endorsed by Mr. Ogawa. Cross-examination of Mr. Ogawa would, in substance and reality, proceed as if he rather than Mr. McAllister had given the evidence relayed to the Registrar in Mr. McAllister's witness statements and exhibits of 15 March 2006 and 18 February 2008. It would clearly be wrong to exclude that evidence from the scope of any cross-examination of Mr. Ogawa (who could speak to the truth and accuracy of it) on the topsy-turvy basis that it had been put before the Registrar by Mr. McAllister (who could not speak to the truth and accuracy of it).

20. Both parties asked me to determine the appeal without reconvening a hearing to consider the impact of the information provided in response to my directions.

Decision

21. Rule 55 of the Trade marks Rules 2000 provides as follows:

Evidence in proceedings before the registrar; s.69

55.(1) Where under these Rules evidence may be admitted by the registrar in any proceedings before her, it shall be by the filing of a statutory declaration or affidavit.

(2) The registrar may in any particular case take oral evidence in lieu of or in addition to such evidence and shall, unless she otherwise directs, allow any witness to be cross-examined on his statutory declaration, affidavit or oral evidence.

(3) Where these Rules provide for the use of an affidavit or statutory declaration, a witness statement verified by a statement of truth may be used as an alternative; the Registrar may give a direction as she thinks fit in any particular case that evidence must be given by affidavit or statutory declaration instead of or in addition to a witness statement verified by a statement of truth.

(4) The practice and procedure of the High Court with regard to witness statements and statements of truth, their form and contents and the procedure governing their use are to apply as appropriate to all proceedings under these Rules.

(5) Where in proceedings before the registrar, a party adduces evidence of a statement made by a person otherwise than while giving oral evidence in the proceedings and does not call that person as a witness, the registrar may, if she thinks fit, permit any other party to the proceedings to call that person as a witness and cross-examine him on the statement as if he had been called by the first-mentioned party and as if the statement were his evidence in chief.

It can be seen that a witness statement is an alternative to an affidavit or statutory declaration: Rule 55(3). The Rule does not provide for witness statements to be equated

with affidavits or statutory declarations for the purposes of Rule 55(2). It simply provides for the practice and procedure of the High Court to apply '*as appropriate*' to the use of witness statements in Registry proceedings: Rule 55(4). However, I do not think it could be '*appropriate*' in the context of proceedings in the Registry to apply the practice and procedure of the High Court so as to establish an approach to cross-examination in relation to witness statements that was materially different from the approach to cross-examination in relation to affidavits and statutory declarations under Rule 55(2).

22. That requires me to consider the correct approach to cross-examination under Rule 55(2). The orientation of the Rule is clear. The Registrar '*shall ... allow any witness to be cross-examined*' unless he thinks it would be right to direct otherwise in the circumstances of the particular case in which the request for cross-examination has been made. In order to decide whether he should '*otherwise direct*', he should turn his mind to the anticipated advantages and disadvantages of allowing the proposed cross-examination as compared with the anticipated advantages and disadvantages of refusing to allow it to take place. This is not only a value judgment, but also a case management decision. The decision taker needs to identify the relevant factors and grade them according to the weight that (s)he thinks they ought properly to be given in relation to the question whether cross-examination should be refused. At risk of repetition, I emphasise that the question predicated by Rule 55(2) is not whether cross-examination should be allowed, but whether it should be refused.

23. The Hearing Officer did not require the parties to take the steps necessary to enable him to confront the first of the main reasons for the Applicant's request for cross-

examination. His decision to refuse cross-examination is open to the objection that he failed to apply the correct test under Rule 55 and as a result of doing so wrongly refused the Applicant's request. In the light of the information provided in response to my directions, I do not think that the Hearing Officer's decision to refuse cross-examination can be sustained. My reasons for saying so are as follows:

- (1) The Applicant has raised a claim to the effect that the Proprietor is defending the registration of its trade mark for chemical products in Class 1 for use in the manufacture or perfumery, plastics, resins and medical products on the basis of false and misleading evidence of use, including fabricated documents.
- (2) That claim was discernible in the Applicant's pleadings and evidence and has since been elaborated by way of the schedule and table it filed on 25 February 2008. The Applicant's reasons for maintaining the claim are very tersely stated in the table. However, the information presently available to me does not enable me to say that they can be dismissed out of hand.
- (3) The advantage of allowing the request for cross-examination is that the Registrar will be able to determine the central issue of use/non-use on the basis of evidence that has been tested by questioning directed to its reliability. It is not uncommon for written evidence to be discounted in the light of cross-examination. In Alliance & Leicester at paragraph 16 Ferris J. referred to that as a '*situation ... familiar to those who are used to hearing witnesses cross-examined in court on written evidence prepared for them by others*'.

- (4) The disadvantage of allowing the request for cross-examination is that considerable time, effort and money will be expended upon enabling it to take place efficiently by videolink to Japan as envisaged. I could easily regard that as a reason for not allowing cross-examination on matters of peripheral relevance in a case where there were no allegations of the kind made by the Applicant in the present case. In the present case, I think it should only be regarded as a reason for giving special directions with regard to costs as indicated below.
- (5) The advantage of refusing the request for cross-examination would be the resultant saving of time, effort and money. I do not think this should be given more weight than I have given it in (4) above.
- (6) The disadvantage of refusing the request for cross-examination would be the impracticability of having to decide heavily contested issues of fact on matters of central importance to the case on the basis of conflicting written evidence alone. This would be a major disadvantage. So much so, that I think it would be an obstacle to the attainment of a just and fair outcome to the proceedings.

In short, I regard this as a case in which cross-examination of Mr. Ogawa should, within reason, be allowed.

Conclusion

24. The Hearing Officer's refusal of the Applicant's request for cross-examination of Mr. Ogawa is set aside, along with his decision to make no order for costs. The

application is remitted to the Registrar for directions as to the implementation of the request for cross-examination of Mr. Ogawa in the context of the pending application for revocation. The question of how and by whom the costs of the request for cross-examination at first instance and on appeal are to be borne and paid is reserved to the Registrar for determination at the conclusion of the proceedings in the Registry. The parties are directed to prepare separately itemised accounts of: (1) their costs and expenses of the request for cross-examination at first instance and on appeal; (2) their costs and expenses of progressing the request for cross-examination; and (3) their costs and expenses of participating in the requested cross-examination. The Registrar is directed to consider at the conclusion of the proceedings in the Registry whether and, if so, to what extent any costs and expenses itemised in such accounts should be the subject of a special order for costs in favour of the party by whom they were incurred.

Geoffrey Hobbs QC

9 June 2008

Dr. Wolfgang Munk appeared on behalf of the Applicant.

Ms. Lindsay Lane instructed by Messrs Marks & Clerk appears as Counsel on behalf of the Proprietor.

Mr. Allan James appeared on behalf of the Registrar.