

**TRADE MARKS ACT 1994**

**In the matter of an Interlocutory Hearing  
in relation to a request for cross-examination  
by Lombard Bank Limited (the opponents)  
in Opposition proceedings brought against  
Application N° 2140088 in the name of Alliance  
& Leicester PLC, under Opposition N° 48472**

## TRADE MARKS ACT 1994

**In the matter of an Interlocutory Hearing  
in relation to a request for cross-examination  
by Lombard Bank Limited (the opponents)  
in Opposition proceedings brought against  
Application N° 2140088 in the name of Alliance  
& Leicester plc, under Opposition N° 48472**

Following an Interlocutory Hearing on 5 October 2000, I decided that the opponents' request to cross-examine Mr J Hepplewhite at the Main Hearing to determine the substantive issues in this case should be refused. I also decided at the hearing that a request from the applicants to strike out the opponents' ground of opposition under Section 3(6) should also be refused.

The opponents have requested a statement of the reasons for my decision to refuse their request for cross-examination.

### BACKGROUND

On 25<sup>th</sup> July 1997, Alliance & Leicester plc filed an application for registration for the trade mark depicted below, for "Insurance services"



The application was published for opposition purposes on 28 January 1998 in Trade Marks Journal 6210. On 28 April 1998, Lombard North Central PLC and Lombard Bank Limited, jointly filed opposition in accordance with Section 38(2) of the Trade Marks Act 1994. The first opponents, namely, Lombard North Central PLC subsequently withdrew from the proceedings. The applicants filed a Form TM8 and counter-statement on 5 August 1998.

Following the joining of proceedings both parties filed evidence in support of their respective cases; the opponents filed Statutory Declarations by S G Byrne (& exhibits), C Y Whellams and J R Milsom (& exhibits); the applicants filed a Statutory Declaration by J Hepplewhite (& exhibits) to which the opponents filed evidence in reply by way of a second Statutory Declaration by S G Byrne.

The proceedings were considered to be ready for a decision following the filing of the opponents' evidence in reply and by way of an official letter dated 3 March 2000 the parties were asked whether they wished to be heard. On 20<sup>th</sup> March 2000 the opponents requested a substantive hearing and, without providing reasons in support, sought the cross-examination of Mr J Hepplewhite, the applicants' declarant. The applicants subsequently refused to consent to the request stating that the request was made without explanation as to which allegations in the Statutory Declaration were in issue and why cross-examination was necessary.

Following a request from the registrar, the opponents provided a number of reasons to support their request in a letter dated 22 June 2000 from their attorneys Page White & Farrer. The reasons put forward and the paragraphs of Mr Hepplewhite's declaration to which they refer were as follows:

- the adoption and choice of the trade mark by the applicant - paragraph 3
- the applicants' use of blue and orange colour combination - paragraph 4
- the applicants' allegations that blue and orange is associated with them - paragraph 5
- the appearance of the applicants' trade mark - paragraph 6
- the applicants' allegations that the opponents do not have exclusivity in blue and orange combination and discussions of the opponents' use - paragraph 9
- the applicants questioning of the use and reputation of the opponents' trade mark and its goodwill - paragraph 10
- the differences between the applicants' trade mark and opponents' trade mark - paragraph 11
- the applicants' statement that there have been no instances of confusion, that the opponents' trade mark has not been copied and that the mark was not chosen to take advantage of the goodwill of the opponents' trade mark - paragraph 12
- the opponents' expenditure concerning unsecured loans is irrelevant - paragraph 13
- the lack of evidence of actual confusion and whether there is a likelihood of confusion - paragraph 14
- the applicants consideration of the opponents evidence of Ms Whelham is irrelevant - paragraph 15
- the applicants' denial that the opponents have a monopoly in telephone devices and refers to other trade marks - paragraph 16

The opponents were therefore claiming that almost all of the comments in Mr Hepplewhite's declaration were in issue and, unless the applicants withdrew this evidence, they sought the cross-examination of Mr Hepplewhite.

The applicants responded stating that in their opinion most of the points raised by the opponents were matters for argument rather than cross-examination. They requested an interlocutory hearing to make submissions as to:

- why the cross-examination of J Hepplewhite was unnecessary, and
- identify the precise nature and scope of any dispute, to ensure that any cross-examination does not amount to a fishing expedition

The interlocutory hearing took place before me on 5 October 2000.

## THE HEARING

At the hearing before me, the opponents were represented by Mr M Edenborough of Counsel and the applicants for registration by Mr G Tritton of Counsel.

In his submissions, Mr Edenborough argued that Mr Hepplewhite, the declarant, had made a number of large ranging sweeping statements which went to two points:

- 1) bad faith i.e. “We never intended to cause any damage”  
“We did not base our mark upon their mark”
- 1) there is no confusion

Mr Edenborough argued that the statements in Mr Hepplewhite’s declaration were arguable hearsay. Referring to the declaration, Mr Edenborough drew attention to the use of the word “we” in paragraph 12. He questioned why the sudden use of the term “we”. From whom had the information been gleaned? Was there a source for the information or was the statement been made without enquiry? Mr Edenborough argued that the declarant had not chosen to indicate the basis of his knowledge, nor indicate the enquiries that had been made.

This was very important because it was a complete contradiction to a primary fact alleged by the opponent. Mr Edenborough went on to argue that there was evidence of confusion in the opponents’ statutory declarations, though acknowledged that whether it would hold up was a separate matter. But that there was a conflict, that is that the opponents had stated that they had adduced evidence of confusion, whilst the applicants stated that there had been no confusion.

It was further argued that this was an important point because it would go to the core of the opponents’ objections under Sections 5(2) and 5(4)(a) - whether there is confusion or misrepresentation - and therefore it was necessary to examine the applicants’ denial of lack of confusion.

Mr Edenborough then commented that, in his declaration, Mr Hepplewhite stated that there was no intention whatsoever to create a mark which would in any way resemble the opponents’ mark or take advantage of any goodwill in it which might have been generated by the opponent. He argued that it was not clear whether the declarant had anything to do with the design of the applicants’ trade mark. There was also no indication to whom he made enquiries to determine that there was no intention to resemble or not resemble the opponents’ mark. Mr Edenborough argued that this was a point upon which evidence could have been adduced i.e. a design brief. In view of this, Mr Edenborough argued that the statement must be hearsay and for that reason ought to be tested under cross-examination. In the instant proceedings there was a primary conflict of fact in the parties’ evidence, which could not be resolved by reference to the documentary evidence because the applicants have not adduced any documentary evidence. Thus there was no evidence on which to test the conflict or upon which a hearing officer could reach a decision.

Mr Edenborough submitted that a party could be deprived of the right to a fair hearing were they not able to test the strength of another party’s evidence in cross-examination. There were two points to consider, the first being the balance of justice argument where Mr Edenborough contended that I had to be sure that the decision I made in respect of the request would result,

or be likely to result in the least wrong being done if I were wrong in my decision. Thus if I were to refuse the request and had there been cross-examination any useful evidence came out, then the wrong would be that the party seeking cross-examination would be deprived of useful evidence - thus their case would be fundamentally affected. On the other hand if cross-examination was allowed and no evidence turns up where was the wrong? Mr Hepplewhite would not be too inconvenienced. The declarant is the applicants' legal officer and so part of his duties would be to defend and prosecute matters in the normal course of his employment. An award of costs could compensate for any harm or inconvenience caused by the cross-examination.

On behalf of the applicants for registration, Mr Tritton stated that there were factors to be taken into account by the registrar when considering an exercise of discretion as to whether cross-examination was to be allowed. First, he argued, there was a clear preference for written evidence and secondly that parties and the hearing officer were entitled to take account of the weight of evidence when considering whether or not a ground had been made out. He argued that these factors should bear a part in the consideration of the question of cross-examination.

Taking his submissions on these factors further, Mr Tritton submitted that there was a clear preference in the registrar's tribunal for written evidence. He referred to the registrar's decision in *Genius* [1999] RPC 741 at page 743, where the Hearing Officer commented that he did not consider that there was a presumption in the Rules in favour of cross-examination, and went on to state that the purpose of Rule 49 of the Trade Mark Rules 1994 (as amended) was to establish a clear preference for written evidence in proceedings (lines 44 - 50 refer). Mr Tritton commented that the position was a guiding principle for the registrar's tribunal as opposed to the position in the High Court where there is a general rule that one cannot adduce evidence unless the person goes into the witness box and gives evidence, where the other side would have a right to cross-examine.

Mr Tritton then considered the hearsay points raised by the opponents, stating that the registrar may permit cross-examination where a party does not put forward a witness who has given a written statement in the form of a statutory declaration to give evidence, rule 55(5) refers. He went on to consider multiple hearsay evidence where he stated a declarant may not only give evidence of what he personally knew but also of what someone else knew. He argued in this regard that Rule 55(5) does not appear to be putting any presumption either way as compared to Rule 55(2) which does to a certain extent suggest that cross-examination should be permitted.

Raising a further point, Mr Tritton pointed out that, in tribunal hearings submission is made as to the weight of evidence *Wild Child* [1998] RPC 455 refers. He argued that it was not sufficient to say "I would like to test the weight of the evidence. I do not know what the answer is, I do not know whether Mr Hepplewhite did indeed approach others". Mr Tritton made reference to Mr Edenborough's submissions on the maxim that in cross-examination you only ask the questions you know the answer to. The whole tenor of the submissions was that the opponents did not know the answers to the questions and that they wanted to explore the answers in cross-examination. If indeed the opponents did know the answers to the questions, they had not suggested them in any way in correspondence or in submissions. Therefore, he argued that what was being sought was roving cross-examination aimed at trying to get an answer which would hopefully be helpful to the opponents' case.

Turning to Mr Edenborough's "balance of justice" argument, Mr Tritton commented that this was an argument which, standing on its own, would mean that the discretion was wholly fettered. Cross-examination would always have to be ordered because if not there may be an injustice to a party. He further stated that the argument does not excuse a person seeking cross-examination to give reasons as to why cross-examination should be ordered.

With reference to rules 55(2) and 55(5), Mr Tritton commented that from the wording of these rules a declarant can only be cross-examined on statements made within the statutory declaration. If the statutory declaration was silent on a point and does not make a statement to that effect, then the rules do not provide for cross-examination. Mr Tritton stated that the rules do not permit this because to do so would be adducing further evidence into the hearing. He continued by saying that because one side is silent on something, but the other side wish and to explore that point, that this was not a good ground for ordering cross-examination.

In Mr Tritton's view there was no conflict of fact. The declarant deposed that the applicants have not come across instances of confusion. The opponents have put in evidence that a declarant was confused by the applicants' mark. Mr Tritton said that that was not a conflict of evidence but an instance of confusion from one person and another party saying that there had been no instances of confusion.

Mr Tritton then drew parallels between cross-examination and discovery [disclosure]. He argued that both were going to the same thing; they were seeking to amplify evidence by way of oral testimony (cross-examination) or by way of written documentation (disclosure). He argued that the principles involved in both are the same:

“if there is an issue when disclosure would try and elucidate or help cast further information as to whether or not it is true then disclosure was a good idea, however if a party thinks that something might turn up then that was a fishing expedition;

if the purpose of cross-examination was to test two conflicting versions of facts, then that was proper use of cross-examination, but if it was to ascertain what the declarant asked others and what steps had been taken, without knowing the answer to these questions then that is a fishing expedition.”

Mr Tritton submitted that the opponents wanted to test the weight of the statement made by Mr Hepplewhite in order to see if anything came out which might undermine what he said. Mr Tritton referred me to the opening paragraph of Mr Hepplewhite's declaration in which it was said that the statement was made from his knowledge or the records of Alliance & Leicester. The declarant did not say that the statement contained information given to him by other people. What the designer of the trade mark thought or did was irrelevant. The question was whether the applicants intentionally set out to deceive. It was not the designer who would take such a decision but somebody else within the company. He stated that Mr Hepplewhite had said that there was no intention to deceive. In other respects the hearing officer would take notional and fair use in respect of the Section 5(4)(a) claim. If there was no intention to deceive then the question was again related to notional and fair use of the mark applied for and whether this was likely to cause misrepresentation. Section 5(2)(b) claim did not rely upon evidence of the applicants but of the opponents' mark as registered. He argued that in this respect an applicants' evidence is largely irrelevant. Therefore in these proceedings Mr

Tritton argued that cross-examination would not be positively helpful (*Wild Child* refers).

In relation to Mr Hepplewhite's declaration itself, Mr Tritton stated that in terms of hard facts very little was deposed to, as opposed to opinion. There was very little in the evidence on which the opponents have any credible grounds to believe to be wrong. It came down to a question of what weight was to be attached to the evidence, but that was not ground for cross-examination because there is no reason to suggest at all what he says is wrong. He submitted that the grounds for cross-examination were fishing expeditions.

In reply Mr Edenborough said that the opponents had no intention on cross-examining the declarant on his opinions, they were worthless. He also submitted that in relation to the hearsay point, as pointed out in Mr Tritton's submissions, the declarant deposed from his own knowledge and from the applicants' records - those records thus he argued they were hearsay documents. He also argued that the strongest example of when cross-examination is most pertinent is Section 3(6) and bad faith, as in this case, because you are looking at a number of matters which are commonly not recorded in documents.

Taking the balance of justice argument, Mr Edenborough stated that it would not be an open ticket for cross examination in every case, but in the right case, the balance of justice would argue in favour of cross-examination in cases such as Section 3(6) and also where there was misrepresentation; Section 5(4)(a). He argued that in respect of bad faith it was pertinent if you wanted to criticise and level allegations of bad faith to bring the person before the Tribunal so that his demeanor could be tested. Regarding the question of weight, Mr Edenborough argued that there were occasions when submissions can be cut through by having the witness present to see how they hold up and then the most appropriate weight can be attached to their evidence.

Regarding Mr Tritton's comments that the intention of the designer was irrelevant, Mr Edenborough argued that that was not the case, saying that in *ASDA v. United Biscuits* [1997] RPC 513, there was evidence from the design team which the judge took into account when finding passing off.

After hearing submissions from both parties, I reserved my decision. Following consideration of the submissions, skeleton arguments provided and the papers before me I issued my decision in writing refusing the opponents' request for cross examination. I now give the reasoning for my decision.

## DECISION

At the time of the Interlocutory Hearing, the Registrar's power for ordering cross-examination was provided for in Rule 55 of the Trade Marks Act 2000, which reads:

- Rule 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.

The registrar's power for ordering the cross-examination of witnesses is clearly a discretionary power. The registrar's position regarding requests for cross-examination is set out in the registrar's decision *Matsushita Electrical Industrial Co Ltd v. S W Raisinghani* dated 15 August 2000 [as yet unreported]. From the authorities provided by Counsel at the Hearing before me, I noted that in *Wild Child* [1998] RPC at page 463, lines 26 - 27, the appointed person stated that cross examination is allowed in Registry proceedings when there are grounds for thinking that it "would be positively helpful to the tribunal in coming to a just decision" (quoting from *Permo Trade Mark* [1985] RPC 599). This I take as the starting point when considering any request for cross-examination in proceedings before the registrar.

In deciding whether the cross-examination of Mr Hepplewhite should to be ordered, I considered the lengthy submissions from both parties. The declarant made statements it was said concerning two issues; bad faith and the question of confusion. Statements were made in the applicants' written evidence which appear to have raised questions and/or concerns for the opponents, hence the request for cross examination.

Mr Edenborough during submissions made reference to the maxim that in cross-examination you only ask questions which you already know the answer to. Mr Tritton responded stating that from the opponents submissions they do not appear to know the answers to the questions they wish to ask of Mr Hepplewhite. I have come to share this view. From the submissions and the papers before me it does not appear that the opponents knew the answers to the points they wished to address in cross-examination. The submissions were based on assertions which did not give me the impression that there were clear facts to be established as opposed to a hope that something might emerge.



Having said that, would the evidence currently adduced in these proceedings result in the tribunal coming to a just decision? It was argued by Mr Edenborough that there was a conflict of evidence in these proceedings. Mr Tritton argued not. I note that the opponents have filed a statutory declaration by Ms C Whellams which is said to show confusion. The applicants have filed evidence, the declaration of Mr Hepplewhite, in which it is said that they are not aware of any instances of confusion. I note in paragraph 12 of Mr Hepplewhite's declaration he stated:

“...since the launch of the insurance services under the Applicant's mark we have not come across any instances of confusion having occurred or indeed any instances when an association has been made...”

From my reading of the evidence, the applicants do not appear to have put forward an alternative version of events to the evidence of purported confusion submitted by the opponents, but instead have questioned the relevance of the evidence of Ms Whellams. I therefore wonder whether it is right to say that there is a conflict of evidence. If an alternative version of events had been put forward then, I would consider that it could be said that a conflict of evidence existed and cross-examination may then have been appropriate. However, from the papers before me there does not appear to be what I would consider a conflict of evidence which requires cross-examination. Therefore I see no reason why a just decision could not be reached without the cross-examination of Mr Hepplewhite.

I agree with Mr Tritton's submissions that rules 55(2) and 55(5) mean that a declarant can only be cross-examined on statements made within the statutory declaration. I also concur with Mr Tritton's contentions that because a party is silent in their evidence on a particular point which the other party wish to explore, this is not a sufficient ground on its own for the ordering of cross-examination. In such circumstances provision is made in the legislation for a party to request the disclosure of documents. In the instant proceedings, both parties have adduced evidence, whilst it may be said that the applicants' evidence is silent in respect of some points that is not enough to justify an order for cross-examination of the declarant. I do not consider that cross-examination would positively help the tribunal in reaching a just decision in these proceedings. The evidence before the registrar can be considered by the Principal Hearing Officer and the question of the weight to be attached to the evidence of both parties can be addressed by the Hearing Officer in reaching a decision in respect of these opposition proceedings.

Turning to the question of hearsay. Whilst it may be the case that the company documents used by Mr Hepplewhite to assist in the preparation of his statutory declaration may be said to be hearsay, in accordance with the Registrar's practice in relation to hearsay evidence, the question of what weight is to be attached to such evidence will be considered and addressed by the Principal Hearing Officer.

In view of the above, my decision was to refuse the opponents' request to cross-examine Mr J Hepplewhite.

Dated this 19<sup>th</sup> day of March 2001

J S PARKER  
Acting for the Registrar  
The Comptroller General