D E C I S I O N

THE HEARING OFFICER: These proceedings concern Trade Mark Application number 2192332 and opposition thereto under number 50250. The main hearing in these proceedings was set down for 5th December 2001. Following the withdrawal of the opponent's representatives, DLA, their new representative, Field Fisher Waterhouse, applied for that hearing to be postponed. This request was heard as a preliminary point on 5th December. At that hearing I ordered that the hearing date should be vacated.

In addition to the issue of the postponement of the hearing the applicants, in their letters of 20th November and 3rd December, sought leave to file further evidence under the provisions of rule 13(11) of the Trade Marks Rules 2000.

At the hearing on 5th December I asked the opponents new representatives to confirm within one week of that date whether they wished to oppose the applicant's request to file further evidence. By this letter of 12th December the opponent's representative stated that they did not object to the further evidence filed with the applicant's letter of 3rd December; that being a second witness statement of Mr. Harrison together with exhibits. That document was therefore admitted into the proceedings and in accordance with my decision of 5th December the opponents had one month from that date within which to file any evidence in reply.

However, in their letter of 12th December the opponents maintained their objection to the admission of the evidence filed with the applicant's letter of 20th November. The evidence consists of a witness statement by Mr. Salim Hafejee, a barrister, who works for Release; Mr. Hafejee gives evidence as to the meaning of the term China White; a witness statement dated 19th November by Mr. Poulter, formerly department director of Release, which gives similar evidence; a witness statement of Mr. Bilewycz, a trade mark attorney and applicant's representative; Mr. Bilewycz gives evidence of the meaning of China White and exhibits various internet search hits, he also exhibits an extract from the Evening Standard of 7th November referring to an anti-drugs campaign. Mr. Bilewycz also gives evidence of a conversation with an Inspector Watton of the Metropolitan Police Force who expresses a view as to the suitability of the name China White for use on a nightclub or a drink.

Finally, the applicants also seek to file a witness statement by Mr. Cameron Gowlett of Duncan Mee and IPI Partnership. Mr. Gowlett gives evidence of a visit to the opponent's nightclub and makes various comments concerning his visit.

Thus, the issue before me today is whether these four witness statements should be admitted into the proceedings under the provisions of rule 13(11) of the Trade Mark Rules

2000. This provision reads: "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 direct".

At the hearing today I have had the benefit of argument from both Mr. Engelman of counsel representing the applicant and Mr. Holah of Field Fisher Waterhouse representing the opponent. I would like to thank both representatives for their full and detailed skeletons in this matter and the assistance they have given me today.

Both representatives did not dispute the fact that rule 13(11) gives the Registrar the discretion as to the admission of further evidence. It seems to me that the provisions of that rule give the Registrar a very wide discretion as to the admission of further evidence at any time in the proceedings. Both counsel referred me to the test as set out by Laddie J. in Swiss Miss.

Whilst, as Mr. Engelman in his skeleton pointed out, that case was concerned with the admission of further evidence on appeal, it seems to me that the criteria listed by Laddie J. highlight the sort of factors that should be taken into account. They should not be considered to be a straitjacket but are a useful guide to the exercise of the Registrar's discretion under rule 13(11). I note Mr. Holah's

point that in exercising that direction I should also have regard to the overriding objective.

As noted above, both representative's took me to the criteria and argued that they did or did not support the admission of the evidence. The criteria are as listed in the Swiss Miss case: whether the evidence could have been filed earlier and if so how much earlier; if it could have been filed what explanation for late filing has been offered to explain the delay; the nature of the mark; the nature of the objections to it; the potential significance of the new evidence; whether or not the other side would be significantly prejudiced by the admission of the evidence in a way which cannot be compensated by costs; the desirability of avoiding multiplicity of proceedings; the public interest in not admitting on to the register invalid marks.

Therefore, I give my decision. Dealing with each of those factors in turn. Could the evidence have been filed earlier and if so how much earlier. Clearly the evidence could have been filed earlier and also the defence of ex turpi causa could have been pleaded at the outset when the counter statement was filed.

Mr. Engelman has given an explanation that the connection between China White and heroin and the opponent's club was only recently thought of. This evidence, if it is admitted, clearly creates difficulties not only for the

opponents but also for the application. If I thought that the applicants had deliberately sat on this defence and not raised it because of their own difficulties I would have refused leave to file the evidence and also to amend the pleadings. However, there is no suggestion of that here.

I think of more telling significance is the fact that the issue was thought of in July yet it was not until November that the issue was raised with the other party and with the Registrar. Perhaps given hindsight it would have been better if the applicants had flagged up their intention to file further evidence at the time when it was initially thought of and then sought leave to file the evidence before it was actually prepared. However, I am not prepared to make that a bar as to whether or not it should be admitted in this case.

Factors 3 and 4, the nature of the mark and the nature of the objection to it. China White for some it seems is a slang term for heroin and it appears other drugs. That is a fact which seems to be shown by the new evidence.

Mr. Engelman has argued that it is this factor and the opponent's use which would prevent them from enforcing any passing off right and also any rights of action under section 3(6) against his clients. In his view this evidence is central to his client's defence; without it he cannot use the defence and the section 3(6) and the section 5(4)(a)

grounds will be decided on their merits.

Fairly detailed argument was put to me both in the skeletons and before me here today as to the strength of the applicant's case that the Latin maxim ex turpi causa non oritur actio, a person should not be allow to benefit from his own wrong doing or base cause, does or does not apply. Whilst the significance of the evidence is mentioned in the Laddie's J. test at point 5, I am wary of delving too deeply into the merits of the applicant's defence at the interlocutory stage. At present, I remain to be convinced that there is a basis on the evidence that is before me that the defence can be made out, but I do not think it is unarguable. I would be reluctant to prevent the applicant from using this argument at this stage in the proceedings.

This brings me on to the prejudice point and the multiplicity point. Denying the applicants the opportunity to argue this point may prejudice their case. The defence has been raised very late in the day but the opponent can be compensated in costs at the main hearing. If I refuse, the applicant could refile the application and then successfully raise the defence in the issue in those proceedings. Mr. Holah and his clients would have a longer period of use upon which to rely as far as section 5(4) is concerned but if Mr. Engelman's defence has merit then that would be of no use to them.

I also note that the section 3(6) ground has been pleaded by the opponent as a ground of opposition. The current case law indicates that is tantamount to an allegation of commercial fraud or theft. I do not think that the applicant should be deprived of being allowing to run this defence in the face of that allegation.

Dealing with the prejudice point, I raised before I went to write my decision, the issue of whether or not I should make a declaration under rule 50(4)(a) I so make that declaration in respect of Mr. Gowlett's evidence and that document will remain not open to public inspection.

From that you will see that taking all these facts into account it is not without some reluctance that I allow this new evidence to be admitted into the proceedings. As noted above, it is my view that the evidence raises a new defence available to the applicants at the time the counterstatement was filed. As I have allowed the new evidence to be admitted I will allow the new defence to be ventilated at the main hearing.

I therefore direct that the applicant should within one week particularise their defence in the form of an amended counterstatement.

The evidence is admitted and I make a declaration under rule 50(4)(a) that the witness statement of Mr. Gowlett will

not be open to public inspection, although it will be freely available between the parties.
