

**TRADE MARKS ACT 1994**

**IN THE MATTER OF:**

**APPLICATION NO. 80092**

**IN THE NAME OF HI-TEC SPORTS UK LTD**

**FOR A DECLARATION OF INVALIDITY**

**IN RESPECT OF TRADE MARK NO. 2061071**

**IN THE NAME OF NICHOLAS DYNES GRACEY**

---

**DECISION**

---

1. On 28<sup>th</sup> September 2001 Hi-Tec Sports UK Ltd (*“the Applicant”*) applied for a declaration of invalidity in respect of trade mark number 2061071 registered in the name of Mr. Nicholas Dynes Gracey.

2. The application was made on Form TM 26(I). The declaration prescribed by that form was signed by Mr. Tarrant of the Applicant’s Solicitors, Messrs D.J. Freeman. It included the following statement” *I declare that to the best of my knowledge there is no action concerning the registration pending in the courts.*

3. That element of the declaration provided confirmation that the application had been duly filed in the Registry under Section 47(3)(a) of the Trade Marks Act 1994:

“(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; ...”

It is abundantly clear from these provisions that a person wishing to apply for a declaration of invalidity does not have the option of applying to the Registrar if proceedings concerning the trade mark in question are pending in the court.

4. The Form TM 26(I) was sent to Mr. Gracey by the Registry on 4<sup>th</sup> October 2001.

On 11th October 2001 he wrote to the Registry in the following terms:

(1) PLEASE IMMEDIATELY STRIKE OUT THIS CLAIM AS AN ‘ABUSE OF PROCESS’ CONTRARY TO SECTION 47(3)(A) OF THE TM ACT 1994.

(2) PLEASE REFER THE MATTER OF THE APPARENT FALSE STATEMENT (e.g. RE CPR 32.14) TO THE ATTORNEY GENERAL; THE SAID APPARENT FALSE STATEMENT BEING PARAGRAPH # 5 OF FORM TM 26(I).

(3) PLEASE MAKE AN AWARD OF COSTS IN FAVOUR OF THE REGISTERED PROPRIETOR ON THE ‘INDEMNITY BASIS’ IN RELATION TO HI-TEC AND/OR ‘WASTED COSTS’ IN RELATION TO CPR 48.7 IN SO FAR AS APPN INV 80092 WAS ‘IMPROPER, UNREASONABLE OR NEGLIGENT’.

5. These requests were made on the ground that the Registrar had no alternative but to reject the application for a declaration of invalidity because proceedings concerning the trade mark in question were pending in the Chancery Division of the High Court in London. Mr. Gracey and the Applicant were parties to those proceedings. Messrs D.J. Freeman were the Applicant’s solicitors in that litigation.

6. The objection to the Registry proceedings was well-founded: in the High Court action, the relevant trade mark was the subject of a claim which had been raised in Mr. Gracey's Counterclaim (served on 14<sup>th</sup> September 2001) and resisted in the Applicant's Reply and Defence to Counterclaim (served on 26<sup>th</sup> September 2001). The application for a declaration of invalidity should have been withdrawn or struck out. No time or money should have been spent on the further conduct of the substantive proceedings in the Registry.

7. However, the Registry wrote to Mr. Gracey on 29<sup>th</sup> October 2001 and, notwithstanding his contention that the Registrar was precluded by statute from acting upon the application for a declaration of invalidity filed on 28<sup>th</sup> September 2001, notified him that his counterstatement in the proceedings pending before the Registrar "***should be filed at the Registry on or before 15 November 2001***".

8. Then, on 31<sup>st</sup> October 2001, the Applicant's Solicitors wrote to the Registry urging the Registrar to allow the application for a declaration of invalidity to remain on foot. The letter stated: "***It may be that a hearing is appropriate in order to decide ... whether the current proceedings ... should continue***". The Applicant's position in the meantime was summarised in the following terms: "***We assert that Mr. Gracey has not provided any evidence that would suggest that he has any reasonable prospect of success in these proceedings. In the circumstances there is no reason why these proceedings should be struck out or stayed pending hearing of High Court proceedings***".

9. No explanation or apology was provided in relation to Mr. Tarrant's declaration under Section 47(3)(a) and the letter disclosed no willingness on the part of the Applicant to regularise its position voluntarily under that Section.

10. Mr. Gracey complied with the notification in the official letter of 29<sup>th</sup> October 2001 by filing a counterstatement in the Registry proceedings on 15 November 2001. The matters noted in paragraphs 13 to 17 below indicate that he expected the filing of the counterstatement to make it necessary for the Applicant to file evidence in support of its application in accordance with the requirements of Rule 33(4) of the Trade Marks Rules 2000.

11. The counterstatement ran to 27 pages and was accompanied by a further 19 pages of attachments. It was a document of limited relevance and extravagant length, written and presented in a convoluted manner that made it difficult to understand.

12. On 5<sup>th</sup> December 2001 the Registry wrote to the parties in the following terms:

“Having received the comments from the Applicants by way of their letter dated 31 October 2001, it is the preliminary view of the Registrar that the Invalidity proceedings in the above matter be stayed pending the outcome of the High Court proceedings as the Court proceedings may have an impact on the Registry proceedings.

A period of 14 days from the date of this letter until 19<sup>th</sup> December 2001 is allowed in which either party may request to be heard on the above preliminary view.”

In addition to stating that the Registrar thought the proceedings should be stayed, the letter notified the Applicant that it was required by Rule 33(4) to file evidence in support of its application for a declaration of invalidity on or before 16<sup>th</sup> January 2002.

13. Mr. Gracey did not request a hearing to determine whether the Registry proceedings should be stayed or, as he was contending, struck out. Instead, he applied on 12<sup>th</sup> December 2001 for an order under Rules 57 and 58 requiring the Applicant to give disclosure of documents in the proceedings. He did so with a view to obtaining *“information I need for the concurrent court case”* and because he wanted to make sure that the evidence the Applicant was due to file by 16<sup>th</sup> January would include *“the evidence I have been looking for since 1998 in the court case which would allow me to make an application for summary judgment or whatever”* (Transcript of 12<sup>th</sup> August 2002, page 28 line 9 to page 29 line 13).

14. The Applicant objected to the Registrar’s preliminary view that its application for a declaration of invalidity should be stayed. Its solicitors wrote to the Registry on 13<sup>th</sup> December 2001 asking for a hearing at which to make representations against the imposition of a stay.

15. On the 8<sup>th</sup> January 2002 the Registry wrote to Mr. Gracey indicating that the Registrar was unwilling to accede to his request for disclosure in the Registry proceedings.

16. The letter concluded with a reference to the period set for the filing of evidence in the official letter of 5 December 2001. The writer of the letter dated 8<sup>th</sup> January 2002 stated that the period for filing evidence “*was superseded by the stay in the proceedings*” and further stated that the Applicant’s evidence “*need not be filed* by 16<sup>th</sup> January 2002 - “*a new date will be set in due course if proceedings before the Registrar are re-commenced*”.

17. Mr. Gracey took this, correctly, to be a stay unilaterally imposed by the Registrar without a hearing under Rule 54 of the Trade Marks Rules 2000. Far from welcoming it as a step towards the strike out he had requested on 11<sup>th</sup> October 2001, he remonstrated with the Registry and protested in correspondence against it. He also pressed ahead with his request for disclosure of documents.

18. A hearing to consider the various matters outstanding between the parties took place before Mr. M. Knight, Principal Hearing Officer, acting on behalf of the Registrar of Trade Marks on 8<sup>th</sup> March 2002.

19. In their Skeleton Argument for the Applicant dated 6<sup>th</sup> March 2002 the Applicant’s solicitors retreated from the position they had previously adopted. They now submitted that the application for a declaration of invalidity should be stayed (but not struck out) pending the outcome of the High Court proceedings concerning the trade mark in question.

20. The Principal Hearing Officer held that Section 47(3)(a) of the Act clearly required the Registry proceedings to be struck out and that it left the Registrar with no discretion to do otherwise in the circumstances of the present case. He went on to hold that Mr. Gracey was entitled to an award of costs for the effort and inconvenience to which he had been put by the filing of the struck out application. He did not intend the award to cover the costs of all lines of defence and attack that Mr. Gracey had pursued in the context of the proceedings. Having noted that Mr. Gracey attributed costs of about £50 to his conduct of the proceedings down to 11<sup>th</sup> October 2001, the Principal Hearing Officer concluded that an award of £150 would be appropriate in all the circumstances.

21. In giving his reasons for striking out the proceedings and making an award of costs in Mr. Gracey's favour, the Principal Hearing Officer stated that he did not think that the Applicant or its solicitors had "*acted in any way such that the term abuse of process can be laid at their door*" and did not accept Mr. Gracey's submission that the actions of the Applicant's solicitors "*were improper or unreasonable, or indeed negligent, although I do hold that they were in error in signing that declaration, to which I have already referred, on the form TM26(I)*". He considered that the Applicant's resistance to Mr. Gracey's request for the proceedings to be struck out was legitimate on the basis that there was room for argument as to the meaning and effect of Section 47(3)(a) and that this made it appropriate for the parties to make submissions and seek a ruling on the merits of the request.

22. Mr. Gracey gave notice of appeal to an Appointed Person under Section 76 of the 1994 Act. His grounds of appeal were set out in a 12 page document. This, again, was

written and presented in a convoluted manner that made it difficult to understand. It failed to satisfy the basic requirement for a written summary that: (i) focused on the decision under appeal; (ii) identified the particular respects in which it was said to have been erroneous; and (iii) provided a succinct statement of the grounds upon which it was contended that the decision was erroneous in the respects identified: COFFEEMIX Trade Mark [1998] RPC 717 at pp. 721, 722.

23. I understand from the submissions he made to me at the hearing that Mr. Gracey's appeal rests essentially upon the following complaint (paragraph 5 of his grounds of appeal):

“The Registrar withheld any appropriate ‘avoidable/wasted costs’ award in relation to the consequences of D.J. Freeman seeking to benefit from the Registrar’s administrative acts contrary to HRA section 6(1) [lines 7 to 9 ‘Costs Decision’ page 3] by shifting to a very late request for a ‘... stay ...’ of the INV 80092 proceedings by way of D.J. Freeman’s 1-page 19:15 hrs. TUE. 26. FEB. 2002 fax, **irrespective of Gracey’s related communications up to and including TUE. 09. OCT. 2001 to SUN. 10. FEB. 2002.**”

24. Much discussion was required in order to unpack this complaint. Shortly stated, Mr. Gracey's position was as follows:

(1) He wrote to the Registry on 11<sup>th</sup> October 2001 (see paragraph 4 above) asking for: (i) an award of costs against the Applicant on the ‘indemnity basis’; and/or (ii) a ‘wasted costs’ order under CPR 48.7 against the Applicant’s solicitors Messrs. D.J. Freeman on the basis that their conduct in relation to the application for a declaration of invalidity was



‘improper, unreasonable or negligent’ having regard to the provisions of Section 47(3)(a) of the 1994 Act.

- (2) The Principal Hearing Officer wrongly rejected the claim for ‘wasted costs’.
- (3) The Principal Hearing Officer should have split the sum he awarded into ‘normal costs’ and ‘wasted costs’ and ordered the Applicant’s solicitors to pay the ‘wasted costs’.

25. In the course of clarifying the case that Mr. Gracey was advancing, it became apparent that his complaint related not to the quantum of the costs awarded to him (£150), but to the Principal Hearing Officer’s refusal to classify any part of that sum as ‘wasted costs’.

26. Mr. Gracey’s observations on this point included the following:

*“Let us assume that £150 from your perspective could be deemed reasonable. What I want to know is, and would like recognition for on this appeal, which elements of those costs are wasted costs?”* (Transcript p. 67, lines 21 to 24).

*“If he had said ‘I attribute £100 of that to have been unreasonable that they wrote the letters to the registry on 31<sup>st</sup> October and they continued to pursue this matter on 13<sup>th</sup> December, irrespective of Mr. Gracey’s fax, I attribute £100 to be paid by the solicitors’, we would not be having this conversation today”* (Transcript p. 77, lines 2 to 7).

*“If he had accepted that a proportion of those costs were to be paid by D.J. Freeman, the solicitors, I would then have thought, there we are”* (Transcript p. 80, lines 15 to 17).

*“.... if that decision had come out shortly after 11<sup>th</sup> October, I would have been happy with £50 if it had said it is unreasonable for someone to pursue a TM 26(1) under 47(3)(a) of the Trade Marks Act, having been put on notice by the other party that that part of the Act assists”* (Transcript p. 101, lines 20 to 25).

*“I would be content with the £150, although I would have thought it was quite low for the amount of work that I had put in to try and get everyone’s attention to the fact that the stay of proceedings was inappropriate, but it would have been beyond any reason that for my part to pursue an appeal on the basis of the discretion of whether it was £150 or £250” (Transcript p. 102, lines 5 to 11).*

27. The Applicant maintained that the Principal Hearing Officer was mindful of all the relevant facts, had exercised his discretion taking into account the conduct of both parties and could not be said to have erred in reaching the decision that he did. There was accordingly no basis upon which his decision could be altered consistently with the approach laid down by the Court of Appeal in Bessant v. South Cone Incorporated [2002] EWCA Civ 763 (28<sup>th</sup> May 2002).

28. It was additionally submitted that Mr. Gracey’s claim for a ‘wasted costs’ order against the Applicant’s solicitors should be rejected on the basis that they had at no time prior to the hearing of the appeal been made aware that he was seeking an order for costs directly against them.

29. When considering the issues arising in this appeal it is necessary to remember that the power to award costs in Registry proceedings is provided by Section 68(1) of the Trade Marks Act 1994 and Rule 60 of the Trade Marks Rules 2000.

30. Section 68(1) states that:-

“Provision may be made by Rules empowering the registrar,  
in any proceedings before [her] under this Act–

- (a) to award any party such costs as [she] may consider reasonable, and
- (b) to direct how and by what parties they are to be paid.”

Rule 60 confirms that:

“The registrar may, in any proceedings before her under the Act or these Rules, by order award to any party such costs as she may consider reasonable, and direct how and by what parties they are to be paid.”

31. These provisions enable the Registrar to make orders for costs against and in favour of the parties to proceedings before her under the Act and the Rules. They do not enable her to make orders for costs against or in favour of non-parties. Legal or other representatives do not become parties simply by acting on behalf of their principals in the proceedings in which they have been engaged to act. It follows that the representatives themselves are not parties as against whom orders for costs can be made under Section 68 and Rule 60. This tallies with the observations of Lord Goff of Chieveley in the principal speech in the House of Lords in Aiden Shipping Co. Ltd v. Interbulk Ltd [1986] 1 AC 965 at pp. 979E to 980C.

32. Section 51 of the Supreme Court Act 1981, as substituted by Section 4 of the Courts and Legal Services Act 1990, enables the court to order a legal or other representative to pay to a party to proceedings in the civil division of the Court of Appeal, the High Court or any county court, all or part of any costs which that party has incurred **“as a result of any improper, unreasonable or negligent act or omission”** on the part of that representative. However, these provisions do not apply to proceedings in the Trade Marks Registry or on appeal to the Appointed Person under Section 76 of the 1994 Act.

33. The court previously possessed a more limited power to order solicitors to pay costs incurred (by their clients or other parties) as a result of conduct which was inexcusable and such as to merit reproof: R&T Thew Ltd v. Reeves (No.2) [1982] QB 1283 (CA). The jurisdiction to make a wasted costs order against a solicitor was founded on breach of the duty owed by the solicitor to the court to perform his duty as an officer of the court in promoting, within his own sphere, the cause of justice: Ridehalgh v. Horsefield [1994] Ch. 205 (CA) at pp. 226, 227 per Sir Thomas Bingham MR.

34. Sections 82 to 88 of the 1994 Act and Rules 52 and 53 of the Trade Marks Rules 2000 contain provisions relating to registered trade mark agents and other representatives entitled to act on behalf of parties to Registry proceedings. The Act and the Rules enable the Registrar to exercise supervisory and disciplinary powers in relation to such persons. However, her jurisdiction in that connection does not appear to me to be analogous to the jurisdiction exercised by the court in relation to the conduct of solicitors prior to the introduction of Section 51 of the Supreme Court Act 1981 as substituted by Section 4 of the Court and Legal Services Act 1990. I do not consider that these powers can be taken to enable the Registrar to make orders for costs against trade mark agents or other representatives in Registry proceedings.

35. The parties to Registry proceedings may nonetheless be held responsible in costs for the conduct of their representatives.

36. The long established practice in Registry proceedings is to require payment of a contribution to the costs of the successful party, with the amount of the contribution being

determined by reference to published scale figures. The scale figures are treated as norms to be applied or departed from with greater or lesser willingness according to the nature and circumstances of the given case. The Appointed Persons usually draw upon this approach when awarding costs in relation to appeals brought under Section 76 of the 1994 Act.

37. The use of scale figures in this way makes it possible for the decision taker to assess costs summarily without investigating whether or why there are: (a) disparities between the level of costs incurred by the parties to the proceedings before him; or (b) disparities between the levels of costs in those proceedings and the levels of costs incurred by parties to other proceedings of the same or a similar nature. This approach to the assessment of costs has been retained for the reasons identified in Tribunal Practice Note 2/2000: see Kerly's Law of Trade Marks and Trade Names 13<sup>th</sup> Edn. (2001) pp. 1009 et seq.

38. The scale figures are an aid to (and not a substitute for) consideration of what it would be "reasonable" for the Registrar to award by way of costs in the context of any particular proceedings before her under the Act or the Rules. It is relevant to consider in the context of a given case: (1) the complexity of the issues of fact or law that fell to be addressed; (2) whether the receiving party has undertaken work for which there should be no award of costs in his favour; (3) whether the receiving party or the paying party should be compensated in costs for irresponsible assertions, counter-productive effort or undue delay on the part of the other. I hasten to add that this is not intended to be an exhaustive list of relevant considerations.

39. Whilst it is permissible to award compensation in costs for the effort and expenditure a party has incurred in pursuit or defence of a claim, it is not legitimate to award general damages in the guise of costs. It is clear from the observations of Lord Steyn in the principal speech in the House of Lords in Gregory v. Portsmouth City Council [2000] 1 AC 419 at pp. 427 et seq. that a claim for damages based on the initiation, continuation or procurement of proceedings before the Registrar is not maintainable unless it can be brought within the scope of an existing tort or a necessary and desirable extension of an existing tort. The Registrar does not have the power to adjudicate upon such claims.

40. Since the Registrar is entitled to award a party such costs as she may consider reasonable, an appellant who wishes to challenge the amount of an award must show that the amount could not properly have been considered reasonable in the circumstances in which it was awarded.

41. In the present case Mr. Gracey maintains that the terms in which he requested an award of costs when he wrote to the Registry on 11<sup>th</sup> October 2001 were sufficient to make it clear that he was seeking an order for ‘normal costs’ against the Applicant and an order for ‘wasted costs’ against the Applicant’s solicitors. This, in his view, was the effect of requesting: AN AWARD OF COSTS IN FAVOUR OF THE REGISTERED PROPRIETOR ON THE ‘INDEMNITY BASIS’ IN RELATION TO HI-TEC AND/OR ‘WASTED COSTS’ IN RELATION TO CPR 48.7 IN SO FAR AS APPN INV 80092 WAS IMPROPER, UNREASONABLE OR NEGLIGENT’. His submissions at the

hearing before the Principal Hearing Officer on 8<sup>th</sup> March 2002 seem to have been made on the footing that: ***“Wasted costs as opposed to costs are costs that would be awarded against D.J. Freeman whereas costs would be awarded against Hi-Tech”*** (Transcript p. 21, lines 6 to 9). However, he appears to have been unaware that CPR 48.7 applies where the court is considering whether to make a wasted costs order under Section 51 of the Supreme Court Act 1981 as substituted by Section 4 of the Courts and Legal Services Act 1990 and does not apply to proceedings before the Registrar.

42. It does not seem to have been appreciated in this confused and confusing state of affairs that Mr. Gracey was seeking an order for costs directly against the Applicant’s solicitors, Messrs. D.J. Freeman. The Applicant’s Skeleton Argument for the hearing clearly shows (paragraphs 2.2, 3.2, 8 and 9) that his ‘wasted costs’ allegations were thought to relate to his claim for ‘indemnity costs’ against the Applicant. The Principal Hearing Offer likewise interpreted the request for costs which Mr. Gracey had made on 11<sup>th</sup> October 2001 as a request for costs from the Applicant ***“on an indemnity basis because the actions of D.J. Freeman were improper, unreasonable or negligent”***. In the context of the present appeal it came as a revelation to me and seems also to have come as a revelation to the Applicant’s representative that Mr. Gracey was seeking to make Messrs. D.J. Freeman directly responsible in costs. His grounds of appeal contained no statement to that effect.

43. The end result of all this is that Mr. Gracey failed to give effective notice of an unmaintainable claim for ‘wasted costs’ against Messrs. D.J. Freeman. The Principal Hearing Officer nevertheless dealt with the allegations made in support of the

unmaintainable claim in the only way that he legitimately could: by considering them as part and parcel of the claim for costs against the Applicant under Section 68(1) and Rule 60.

44. The ensuing “*decision of the registrar*” for the purposes of Section 76(1) of the 1994 Act was the Principal Hearing Officer’s award of costs in the sum of £150. As I have already pointed out, Mr. Gracey is not asking for the amount of the award to be altered on appeal. He wants the relevant “*decision*” to be upheld for reasons other than those given by the Principal Hearing Officer. However, it appears to me that in the absence of any request for the amount of the award to be altered within the scope of the power conferred by Section 68(1) and Rule 60, his challenge relates solely to the reasoning which underlies the “*decision*” he wishes to uphold and does not amount to an “*appeal*” from that “*decision*” within the meaning of Section 76(1) of the 1994 Act: c.f. Compagnie Noga d’Importation et d’Exportation SA v. Australia and New Zealand Banking Group Ltd [2002] EWCA Civ 1142 (31<sup>st</sup> July 2002) at paragraphs 25 to 28 per Waller LJ, paragraph 51 per Tuckey LJ and paragraphs 53 and 54 per Hale LJ.

45. In case I am wrong in that conclusion, I shall go on to consider whether the Principal Hearing Officer’s award can, without error or omission, be regarded as reasonable in the circumstances in which it was made.

46. The objection raised by Mr. Gracey under Section 47(3)(a) of the Act was not difficult to understand and was undeniably correct. The application for a declaration of invalidity should not have been filed because proceedings concerning the trade mark in



question were pending in the court and, upon being reminded of that fact by Mr. Gracey in October 2001, the Applicant should have accepted that it needed to correct the impression, given by the declaration which Mr. Tarrant had signed as part of the relevant Form TM 26(I), that its application for a declaration of invalidity had been duly filed in the Registry under Section 47(3)(a) of the Act. That should quickly have led to the withdrawal or striking out of the application. The Applicant should not have insisted upon moving forward with its application and Mr. Gracey should not have attempted to use the application as a platform for seeking disclosure of information that would or might assist him in the pending High Court proceedings. Both sides appear to have expended significant time and effort upon the task of progressing the proceedings notwithstanding that they were proceedings which should not have been brought before the Registrar in the first place.

47. The Principal Hearing Officer would have been fully entitled to express disapproval at the way in which the costs of the Registry proceedings had been increased by misdirected effort on both sides. He largely refrained from doing so. His aim appears to have been to resolve matters fairly, but without allowing the assessment of costs to degenerate into an exercise in mud-slinging based on a small mesh trawl through the history and circumstances of the proceedings. I think his refusal to characterise the conduct of the Applicant's solicitors as abusive should be seen as a rejection of the contention he perceived Mr. Gracey to be making to the effect that their conduct was deserving of moral condemnation. Whilst his tolerance of the way in which the proceedings had been conducted on behalf of the Applicant can be said to have been somewhat surprising, I do not think that it reflected an intention to award Mr. Gracey

anything less than he deserved to receive by way of costs for the burden of work that the struck out proceedings had unjustifiably inflicted upon him.

48. It was appropriate to recognise in Mr. Gracey's favour that he had been forced to resist proceedings that should not have been brought before the Registrar. However, it was not appropriate to compensate him in costs for misdirected or overblown effort in that connection. The Principal Hearing Officer considered that an award of costs in the sum of £150 was reasonable. When I asked Mr. Gracey to explain why £150 should not be regarded as an appropriate sum to award, he said *"That is not what my notice of appeal is about"* (Transcript p. 65 line 17 to p. 66 line 2). He did not attack the figure of £150. I am unable to say that the award could not properly have been considered reasonable in the circumstances in which it was made. The award must therefore stand.

49. Paragraph 22 of Mr. Gracey's grounds of appeal raised a claim for damages under the Human Rights Act 1998 in the following terms:

**"In respect of Section 6(1), 7(1) Part I, Article 4, 6, 8, 14, 17, Part II, Article 1 of the HRA 1998 and the lack of anything contrary in TMA 1994 Section 70, an award of costs [and HRA section 8 and 9 damages] to Gracey from the Registrar is sought care of the Appointed Person in relation to the Registrar previously 'oppressively' withholding any 'Strike out' of proceedings for over 3 months since Gracey's 175-page TUE.09.OCT 2001 fax, 21-page 16:48 hrs THU.11.OCT.2001 fax & 1-page 16:46hrs THU.11.OCT.2001 fax, and instead the Registrar, contrary to at least to TMR 54, imposing a 'Stay' on TUE.08. JAN.2002, thereby preventing Gracey's seeing the Applicant's evidence material to a concurrent Court case or Gracey pursuing a reasonable request for disclosure material to striking out a material part of INV 80092."**

50. No submissions were made in relation to this claim at the hearing before me. It is sufficient for present purposes to observe that damages may only be awarded in relation to an act of a public authority by a court or tribunal that has the power to award damages, or to order the payment of compensation, in civil proceedings: Sections 8(2) and 8(6) of the Human Rights Act 1998. The Appointed Person does not appear to me to be a court or tribunal that can be said to possess that power. I therefore consider that any claim for damages that Mr. Gracey may wish to make under the 1998 Act must be pursued elsewhere. I say nothing as to the availability or otherwise of such a claim in the circumstances of the present case.

51. Mr. Gracey further submitted that his appeal should proceed by way of a rehearing of his requests to the Registrar, rather than a review of the Principal Hearing Officer's decision, in order to meet the point that his requests had not yet been determined by an independent and impartial tribunal established by law in accordance with the requirements of Article 6(1) ECHR.

52. The following paragraph in the judgment of the ECtHR in Findlay v. UK (1997) 24 EHRR at 244, 245 addresses the issues of independence and impartiality under Article 6(1):

73. The Court recalls that in order to establish whether a tribunal can be considered as "independent", regard must be had *inter alia* to the manner of appointment of its members and their term of office, the existence of guarantees against outside pressures and the question whether the body presents an appearance of independence. As to the question of "impartiality", there are two aspects to this requirement.

First, the tribunal must be subjectively free of personal prejudice or bias. Secondly, it must also be impartial from an objective viewpoint, that is, it must offer sufficient guarantees to exclude any legitimate doubt in this respect. The concepts of independence and objective impartiality are closely linked and the Court will consider them together as they relate to the present case ...”

53. It seems likely that an exhaustive assessment of the Registrar’s role, the duties and powers of her hearing officers and the circumstances of their involvement in the decision taking process would be required in order to arrive at a fully considered view of the status of their decisions under Article 6(1): R v. Spear [2002] UKHL 31 (18<sup>th</sup> July 2002) and Millar v. Dickson [2001] UKPC D4 (24<sup>th</sup> July 2001).

54. I do not consider it necessary to embark upon such an assessment in view of the established principle that the protection afforded by Article 6(1) requires either that the decision-making body (in this case the Registrar) should constitute an independent and impartial tribunal or, if not, be subject to the control of an appellate body which itself constitutes an independent and impartial tribunal established by law with “*full jurisdiction*” (within the meaning of that expression as used in the case law of the ECtHR relating to Article 6(1) ECHR) to deal with the decisions of the Registrar as the nature of the case requires: R on the application of Alconbury Developments Ltd) v. Secretary of State for the Environment, Transport and the Regions [2001] UKHL 23 (9<sup>th</sup> May 2001) see paragraphs 86 to 88 and 107 to 115 of the Opinion of Lord Hoffmann; Ghosh v. The General Medical Council [2001] UKPC 29 (18<sup>th</sup> June 2001) see paragraphs 31 to 34 of the Judgment delivered by Lord Millett; Porter v. Magill [2001] UKHL 67 (13<sup>th</sup> December 2001) see paragraphs 87, 88 and 93 of the Opinion of Lord Hope.

55. It is clear from Section 76(1) that (save as otherwise expressly provided by the Trade Marks Rules) “*any decision*” of the Registrar under the 1994 Act may be challenged by way of appeal and any act of the Registrar in the exercise of discretion vested in her by or under the Act is to be regarded as a “*decision*” for that purpose. Sections 75 and 76(2) of the Act confirm that appeals from the Registrar’s decisions may be brought before the High Court in England and Wales, the High Court in Northern Ireland, the Court of Session in Scotland or an Appointed Person.

56. The jurisdiction to deal with the Registrar’s decisions as the nature of the case requires could hardly be wider than Section 76 envisages. It is nonetheless necessary, as in the case of most procedures by way of appeal, for the appellant to persuade the appellate tribunal that the decision under appeal can properly be said to have been erroneous for one reason or another and should therefore be altered in some respect or other.

57. As emphasised by Lord Nicholls in paragraphs 14 to 20 of his Opinion in Re B (a child) [2001] UKHL 70 (17th December 2001) it is necessary to bear in mind that courts of appeal exist to remedy mistakes in the first instance process; that a court of appeal is not intended to be a forum in which unsuccessful litigants, where no error occurred at first instance, may have a second trial of the same issue under the guise of an appeal; that before an appeal court can intervene it must be shown that the decision-taker at first instance has erred in some relevant respect: by misdirecting himself on the law or the evidence or by being so plainly wrong that he must have misdirected himself; and that generally speaking, the vaguer the legal standard to be applied and the greater the number

of factors which the decision-taker has to weigh up in deciding whether or not the standard has been met, the more reluctant an appellate court will be to interfere with his decision.

58. In the case of Bessant v. South Cone Incorporated [2002] EWCA Civ 763 (28 May 2002) the Court of Appeal reviewed the recent appellate authorities in this area and confirmed that these principles apply to appeals under Section 76 of the 1994 Act. Robert Walker LJ (with whom Buxton and Clarke L.JJ agreed) drew attention (paragraphs 23 to 25) to the distinction between an inference from a number of primary facts which may itself be a simple matter of fact and inferences of the kind which involve a process of evaluation. With reference to the latter, he noted (paragraph 26) that there is no single standard for determining how reluctant an appellate court should be to interfere with a trial judge's evaluation of, and conclusion on, the primary facts.

59. Allowing for the degree of respect that has traditionally been shown to a hearing officer's specialised experience, and recognising that it had been necessary for the hearing officer in the case before him to make a 'multi-factorial' assessment (albeit without hearing oral evidence) in order to arrive at conclusions as to the likelihood of confusion and the outcome of a notional passing-off claim, Robert Walker L J stated (paragraph 28) that:

“In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle”.

60. He further cautioned (in paragraph 29) against treating a judgment or decision as containing an error of principle simply upon the basis of a belief that it could have been better expressed.

61. Consistently with the approach it had laid down for the determination of appeals under Section 76 of the Act, the Court of Appeal unanimously held that the decision of the hearing officer in the case before it should be reinstated on the basis that the decision involved no error of principle and could not be characterised as clearly wrong and so should not have been reversed on appeal to the High Court.

62. I do not understand this approach to envisage that the measure of respect accorded to decisions of the Registrar's hearing officers should be greater than may genuinely be warranted by the circumstances of the given case: see Ghosh (above) at paragraph 34 of the Judgment delivered by Lord Millett and Preiss v. The General Dental Council (Privy Council Appeal No. 63 of 2000; 17<sup>th</sup> July 2001) at paragraphs 26 and 27 of the Judgment delivered by Lord Cooke of Thorndon.

63. Errors on the part of the Registrar are rectified in appeals under Section 76 of the Act by not according deference where deference is not due. That, together with the extended definition of the word "*decision*" in Section 76(1), appears to me to provide full protection for the rights of parties to proceedings before the Registrar. The task of deciding upon the degree of deference to be accorded or denied to the decision of the Registrar's hearing officer must be undertaken in the context of the given case. What

matters for the purposes of Article 6(1) is the readiness of the appellate tribunal to engage in that task.

64. Mr. Gracey appeared to be asking for a rehearing of his requests to the Registrar on the basis that this would enable him to proceed as if there had never been a hearing and a decision at first instance. I am satisfied that no such appeal hearing was required for the protection of his rights under Article 6(1) ECHR.

65. The appeal will be dismissed for the reasons I have given above. I see no reason to depart from the usual practice of requiring the unsuccessful party to contribute to the costs of the successful party on appeal. The appeal was misconceived in all respects. Over and above that, Mr. Gracey's grounds of appeal were (as can be seen from the extracts quoted in paragraphs 23 and 49 above) written and presented in a notably obscure manner. That made it difficult to understand what he was trying to say and added appreciably to the time and expense of dealing with his appeal.

66. I observed in the context of the present appeal (as I have observed in the context of other appeals he has brought before me) that Mr. Gracey is generally fluent and focused in his oral submissions relating to the points he wishes to make. The obscurity of his written grounds of appeal seems to have been the result of a desire to state points delphically so that *“when you get to a hearing you then have the benefit of all these pieces of paper before you to extract out from them what you want to meet at the hearing”* (Transcript p.24 line 23 to p.25 line 18). The end result of his labours was uninformative and unhelpful to a degree which I am not prepared to ignore when



considering the burden of time and effort inflicted upon the Applicant by his appeal. That said, I do not regard the burden shouldered by the Applicant as exceptionally onerous.

67. Considering matters in the round, I think it would be proportionate to direct Mr. Gracey to pay £385 as a contribution to the Applicant's costs of the unsuccessful appeal.

**Geoffrey Hobbs Q.C.**

23<sup>rd</sup> September 2002

Mr. Nicholas Dynes Gracey appeared and participated at the hearing via a telephone link.

Mr. G. Tarrant of Messrs D.J. Freeman appeared on behalf of the Applicant.

The Registrar was not represented at the hearing.