

O-110-10

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO 2444469
IN THE NAME OF SOLID FLOOR LIMITED**

**AND
OPPOSITION THERETO UNDER NO 95416
BY FETIM BV**

**IN THE MATTER OF Application No 2444469
in the name of Solid Floor Limited,
and Opposition thereto under no 95416 by Fetim BV**

BACKGROUND

1. On 23 January 2007 Solid Floor Limited made an application to register the trade mark SOLID FLOOR in respect of the following goods and services:

Class 19 Solid wood flooring; wooden parquet flooring.

Class 37 Installation of wood flooring.

2. Fetim BV filed notice of opposition to the application based on grounds under sections 3(1)(a), 3(1)(b), 3(1)(c) and 3(1)(d) of the Act.

3. The applicants filed a counterstatement. In this they accepted the individual descriptive meanings of the words “SOLID” and “FLOOR” for the goods and services covered by the application in suit. They also admitted that they were contacted by the opponents who requested the withdrawal of the application but otherwise they denied the grounds on which the opposition was based.

4. Both sides filed evidence in the proceedings. The opponents’ evidence in chief consisted of five witness statements. Three of these were from members of the opponents’ staff with the remaining two coming from the opponent’s UK and Benelux trade mark attorneys.

5. The applicants filed three witness statements. Two were prepared by the applicants’ trade mark attorney. The third witness statement came from a director of the applicant’s company amongst the exhibits including ninety-eight Witness Statements, primarily from those who had had some commercial contact with the applicants. A small number came from people who had not had such contact but were involved more generally in the building or flooring industries. Eight of these deponents attended the hearing and were the subject of cross examination.

6. The opponents filed evidence in reply to the applicants’ evidence. This consisted of a further two witness statements with one coming from their trade mark attorney and the other from an architect.

7. The matter came to be heard on 26 and 27 November 2009 when the applicants were represented by Mr Nicholas Saunders of Counsel. The opponents were represented by Mr Michael Edenborough of Counsel.

8. After giving the usual consideration to the facts and circumstances of the case, and taking into account the established case law and submissions made on behalf of both parties, I issued my decision on 29 January 2010. In my decision I noted that the ground of opposition under section 3(1)(a) of the Act was not pursued. I dismissed the ground of opposition brought under section 3(1)(d) but found in the opponent’s favour in relation to the objections under section 3(1)(b) and (c) of the Act.

9. In my decision I noted:

“71. In the normal course of events the successful party would expect to receive an award of costs, that is unless there are factors that justify not making such an award. It is also usually the case that any costs awarded would be in line with what is generally referred to as scale-costs.

72. Having invited the parties for their views on the question of costs, Mr Edenborough stated that he wished to reserve his position. He submitted that depending how the decision goes, it is foreseeable that the opponents might wish to make different sorts of submissions based on how the case has been conducted, mentioning in particular that it has been a long case and hearing, and the number of ancillary matters that have required work. Mr Edenborough said that broadly, this should point towards off-the-scale costs that would require evidence that was not before me.

73. Mr. Saunders did not object to this approach but said that whatever the result there is nothing that justifies an off-scale award. He went on to say that there are two different issues; the principle of whether the costs should be on-scale, and the separate issue of quantum. Mr Saunders considered that I may be able to decide the matter of principle without extensive or even any further submissions. Mr Edenborough took the opposite view arguing that a decision on principle requires submissions. I agree with both counsel. I could decide the matter of principle without submissions, but submissions would usually be expected. There is no disagreement that if costs beyond the normal scale are to be made, this will require submissions and supporting evidence on the quantum of the award.

74. With this in mind I direct that if the opponents consider the facts and circumstances of these proceedings justify an award of costs beyond the published scale, they provide submissions to this effect, supported by evidence on the quantum of any award, within one month of the date of this decision. If nothing is received by the due date I will make an award based on my assessment of these proceeding, with regard to, but not fettered by the scale of costs. The applicants also have one month from the date of this decision in which to make submissions on the scale of any costs.”

10. Written submissions were received from both parties, and after careful consideration I go on to give my decision in relation to costs.

DECISION

11. It is long-established practice that costs in proceedings before the Comptroller are awarded by reference to a standard published scale. They are not intended to compensate parties for the expense to which they may have been put, but rather, to represent a contribution to that expense. This provides access to a low cost tribunal for all litigants with a degree of predictability as to the amount that the proceedings, if properly pursued, may cost.

12. In their written submissions, the opponents state:

“First, save for the matter detailed below, there is no reason to depart from the normal order that costs should follow the event, and be awarded on the normal scale. According, again save for the matter detailed below, it is submitted that the Opponent should be awarded a contribution to its costs, bearing in mind that that award should be towards the top end of the scale, as the Opposition was more complicated than normal, and lasted much longer than normal.”

13. The matter that the opponents consider justifies an award off scale relates to the large number of Statements from witnesses on which the applicant sought to rely. It submits:

“This approach...resulted in the Opponent having to expend far more time and resources on the Opposition than would normally be the case, and so was unreasonable. Further, this approach was fundamentally misconceived for a number of reasons, and so was unreasonable on that basis as well.”

14. The opponents attached a summary of the additional costs that they say were incurred in dealing with the applicant’s evidence. The summary is said to be a “conservative estimate” in that it does not include the time spent “by the trade mark attorney in communication with the Opponent on this matter, nor the time spend in conference with Counsel discussing this matter, nor an entry for the proportionment of Counsel’s fees in dealing with these witnesses and preparing these further submissions.” The opponents seek £4,300 in addition to the usual award, of which £2,320 relates to work carried out by the attorney and £1,980 claimed for work carried out by Counsel.

15. In *Rizla Ltd’s Application* [1993] RPC 365, a patents case, Mr Anthony Watson QC, sitting as a Deputy Judge of the High Court held, at paragraph 374:

“The wording of section 107 could not in my view be clearer and confers on the Comptroller a very wide discretion with no fetter other than the overriding one that he must act judicially. I see no reason why the previously adopted practice could not be altered by the Comptroller in the same way as from time to time an important decision leads the courts to adopt a different attitude to what had previously be accepted practice. Thus, if the Comptroller felt it was appropriate, a form of compensatory costs could become the norm”.

16. He went on to say:

“As a matter of jurisdiction, I entertain no doubt that if the Comptroller were of the view that a case had been brought without any bona fide belief that it was soundly based or if in any other way he were satisfied that his jurisdiction was being used other than for the purpose of resolving genuine disputes, he has the power to order compensatory costs.”

17. The applicants also refer me *Du Pont’s Application* [1996] RPC 740 where the Hearing Officer noted:

“To a significant extent, the costs incurred by a party before the Comptroller are under their own control, for example the choice whether or not to be represented by counsel, and it should be possible to pursue an action without incurring crippling costs. (at p. 747). After referring to Mr Watson’s judgment in *Rizla*, he concluded,

“Thus the message is clear, the Comptroller can award compensatory costs, but only in exceptional circumstances such as clear abuse of process.”(at p.748)”.

18. In their submissions, the applicants refer me to another part of the *Rizla* judgment where the Deputy Judge said:

“Counsel was unable to refer me to any reported case where such a strong order for costs had been made by the Comptroller and therefore there is no established yardstick to measure what might be regarded as exceptional. I believe a case such as the present can only be regarded as exceptional if it can be shown that the losing party has abused the process of the Comptroller by commencing or maintaining a case without a genuine belief that there is an issue to be tried. In my view, this is not shown to be such a case...There are of course a large number of other circumstances such as deliberate delay, unnecessary adjournments etc. where the Comptroller will be entitled to award compensatory costs, but it is unnecessary to define what is clearly a wide discretion.”

19. Under Section 68 of the Trade Marks Act 1994, the Comptroller, and hence any Hearing Officer acting for him, has a similarly wide discretion to award costs. The section reads:

“68.-(1) Provision may be made by Rules empowering the registrar, in any proceedings before [him] under this Act-

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

20. Rule 67 states:

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

21. The position is, therefore, that in making an award of costs, the Comptroller will look to the published scale but, where he considers the particular facts of the case to be such that an award on this basis would not be just he has the power to make a higher award. In making any higher award, he must be fair and award an amount that is proportionate to the particular circumstances of the case. Accordingly, each case will be decided and turn on its own particular facts. This approach mirrors the Civil Procedure Rules. Although the CPR do not make it clear exactly when indemnity costs orders are appropriate, it was suggested, in the case of *Bowen Jones v Bowen-Jones* [1986] All ER 163, that indemnity costs should only be awarded in “exceptional circumstances” though no direction was given as to what “circumstances” would be considered “exceptional”. What is clear is that advancing a case which is unlikely to succeed or one which fails in fact, is not a sufficient reason for an award of costs on the indemnity basis (*Shania Investment Corp v Standard Bank London Ltd* 2 November 2001 (unreported)).

22. Referring to the large number of witness statements that were filed by the applicants the opponents submit:

“Even if this approach was sound (which it is submitted that it was not), this over-burdening of the case was not proportionate to the matters in hand, and so amounted to unreasonable conduct. After much unnecessary correspondence instigated by the Applicant on the matter, the number of witness that would be called to give evidence in person was reduced significantly. However, hearing the evidence from those witnesses still increased the length of the hearing enormously. This increase in the length of the hearing, and by necessary implication also the preparation time, went above and beyond that which is normally accommodated by the scale of costs. Thus, this issue alone justifies an off-the-scale award to compensate more fully the Opponent for the inordinate length of the matter.

Secondly, it is submitted that the approach was actually fundamentally flawed in any event. This is because merely adducing more repetitious evidence does not add to the probative value of that evidence. There was no attempt to adduce statistically valid evidence, rather it simply amounted to the multiple restating of personal evidence. Further, the evidence that was adduced itself was flawed and so lacked any probative value even on an individual basis. This is because it was not framed in the words of the deponents, rather *pro forma* statements were used that clearly had not been considered in detail by the witnesses, and were clearly false. For example, each statement stated that “*In my experience, members of the public who are...*” yet the deponents had not asked “*members of the public*”, rather they were merely giving their own opinion/ Given that they were not presented as experts, their own opinion was inadmissible as a matter of law, and so valueless. Yet, this flaw had to be extracted from each witness in cross-examination. The Applicant should not have presented witnesses that could not, and never could have, deposed to the evidence that they purported to give. That was improper conduct by the Applicant, and rested upon the gamble that the witnesses would never be challenged, either in person or if challenged then that lack of basis for their belief would not be exposed. Moreover, it was clear from the answers given in cross-examination that the deponents recognised the descriptive nature of the term sought to be registered. As such, it is difficult to see how those witnesses could have been put forward in good faith to support the Applicant’s case. Finally, the evidence purported given in §7 was based upon a false basis, as it assumed the answer. It was not evidence to support the Application. As such, each and every one of the 98 trade witness statements should not have been adduced, as they were misconceived. Adducing such flawed evidence was unreasonable, and so justifies an off-the-scale award.”

23. Turning first to the opponent’s assertion that the large number of pro-forma statements amounted to “over-burdening” of the case and was disproportionate to the matters in hand. The number of witness statements filed by the applicants as an exhibit to Eelke Jan Bles’ evidence was far in excess of what would usually be expected in opposition proceedings. Whilst a party is entitled to file the evidence they consider best supports their case, as the opponents correctly say, as pro-forma statements their probative value was not increased simply by the number filed. Additionally, mentioned at paragraph 58 of my substantive decision (in which I referred to case T-262/04 (*BIC SA v Office for Harmonisation in the Internal Market*) (*Trade Marks and Designs*)), the applicant’s representatives should have been aware that preparing a text with blank spaces to be filled in by the deponent could lead to the Statement being considered as “insufficiently reliable” (page 81). The opponents would have had to have spent time reviewing each of the Witness Statements which given the number involved would have been a relatively lengthy process. However, this must be

balanced with the fact that they were in common form and relatively short and uncomplicated, so this should not have been an unduly complicated process.

24. As to the contents of the Statements, the opponents argue that they did not "...attempt to adduce statistically valid evidence..." but were rather a "...restating of personal evidence..." that "... clearly had not been considered in detail... and ...clearly false...". The basis for the assertion is that each statement stated that "*In my experience, members of the public who are...*" yet the deponents had not asked "*members of the public*", rather they were merely giving their own opinion. The opponents assert that as they were not presented as experts, their own opinion was inadmissible as a matter of law, and so valueless. Unsupported personal evidence may be of questionable probative value, but it is not necessary for the deponent to be an expert to be able to provide such evidence, nor is it false to do so without asking members of the public; they were simply stating their "experience." What is relevant is that these Statements needed to be addressed by the opponents.

25. The opponents sought to challenge this evidence through cross examination which they had the right to do, and in the circumstances it was reasonable that they did so. The opponents submit that "After much unnecessary correspondence instigated by the Applicant, the number of witness that would be called to give evidence in person was reduced". This does not, in my view, accurately reflect the fact that it was the opponents who sought cross examination of all ninety-eight of the deponents who had completed a pro-forma witness statement exhibited by Eelke Jan Bles'. I do not consider this was reasonable, or proportionate given the relative similarity of the evidence.

26. Reaching agreement on how many, and which witnesses were to be called took some time, much of which was spent in answering the opponent's concerns that they had the freedom to select whichever witnesses they wished, but with the overall aim of keeping the numbers proportionate. In hindsight the matter should probably have been dealt with through a case management conference. After protracted correspondence the matter was concluded by the Registry issuing directions that the opponents would select deponents from the ninety-eight, with the applicants being required to make no fewer than five available for examination. The time taken to sort this resulted in the cancellation and later reappointment of the substantive hearing.

27. As a matter of logic there can be no dispute with the opponent's argument that taking oral evidence from witnesses inevitably increases the length of a hearing, and by necessary implication also the preparation time. Two days were set aside for the hearing which the opponent's argue goes above and beyond that which is normally accommodated by the scale of costs. As a matter of course, up to one day is usually allowed for a trade mark opposition hearing; in this case the hearing did enter a second day.

28. In the circumstances of this case I have no doubt that following their success the opponents are entitled to an award of costs in their favour. The opponents have submitted that any award should follow, for the most part, the usual scale albeit that it should be at the top end of that scale, They seek a further sum of £4,300 to reflect the additional costs involved in dealing with the large number of trade witnesses as well as the cross examination. It submits that this sum is a "conservative estimate" and provides a breakdown of those costs in a summary.

29. Taking all matters into account, I have come to the view that the opponents are entitled to a contribution towards its costs that should reflect the extra time that would necessarily have been spent on reviewing the large number of witness statements filed by the applicants, and the effect that cross examination had on preparing the case given the reappointment of and duration of the hearing.

30. The scale of costs relevant to these proceedings is that set out in Tribunal Practice Notice 2/2000 and, in line with this, I award costs on the following basis:

Three aspects of the fees are set amounts and I see no rationale for departing from these:

Filing Notice of Opposition	£300
Fee	£200
Considering statement of case	£200

31. It is from the evidence stage that the scale gives ranges rather than fixed amounts and where any exceptional costs may become justified. The summary attached to the submissions is broken down by date with a description of the actions taken on that date and an estimated cost, in each case attributed to Michael Foster (MGF) and/or Michael Edenborough (ME). It does not explain how these figures were reached nor give any indication of what time may have been spent in dealing with these actions.

32. The first amount of £311 dates from February 2009 and is stated to be in respect of a Witness Statement from Michael Foster “attributable to consideration of trade witness statements and submissions thereon, say”. The next and largest amount of £900 dates from 4 June 2009 in respect of Michael Edenborough’s comments on evidence particularly trade witness statement, and £99 for Michael Foster’s reply to Michael Edenborough. On 5 June, £114 is attributed to exchanges of e-mails between Michael Edenborough and Michael Foster “...regarding cross examination; MGF requests cross examination of all witnesses.” Considering and replying to evidence is a normal part of the proceedings and catered for in the scale which allows an award of £750. Given the volume of Statements an additional £311 does not seem excessive. The decision to involve Counsel was the opponent’s decision and made in the knowledge of the scale of costs and that any award, if successful, may not be full recompense for expenditure. I do not, therefore, consider it justified to increase the amount by the £900 and £99.

33. The next stated costs were incurred in actions from 16 June to 23 October 2009 concerning the numbers and selection of the witnesses to be cross examined. For the reasons I have already stated I consider both parties to have contributed to the costs. I do not therefore intend to accept any of these costs as justified as additional to the amount set for the preparation for the hearing.

34. The final issue is the hearing which because of the cross examination ran for one and a half days, approximately half a day more than is usually expected. The opponents say that this incurred an additional cost of £670 in Michael Foster’s time but make no claim in respect of counsel. Given the number of Witness Statements and the impact on the time required to prepare for the hearing and cross examination, I consider an award at the top of the scale (£1,500) and the additional sum of £670 is equitable.

35. The costs award therefore stands as follows:

Filing Notice of Opposition	£300
Fee	£200
Considering statement of case	£200
Preparing and filing evidence	£1,000
Considering applicant's evidence	£1,500
Preparation for and attendance at a hearing	£2,170
Total	£5,370

36. In my decision of 29 January 2010 I stated that a supplementary decision will be issued confirming my decision and setting the period in which any appeal against the substantive decision and also the supplementary decision on any costs award may be filed. I hereby confirm that the opposition succeeds under the grounds based on section 3(1)(b) and 3(1)(c) of the Act. The opposition having succeeded, I order Solid Floor Limited to pay Fetim BV the sum of £5,370 as a contribution towards its costs. This is to be paid within seven days of the expiry of the appeal period relating to this decision, or within seven days of the final determination if any appeal against this decision is unsuccessful.

Dated this 9 day of April 2010

**Mike Foley
for the Registrar
the Comptroller-General**