**TRADE MARKS ACT 1994**

**IN THE MATTER OF:**

**OPPOSITION No. 95502**

**IN THE NAMES OF JOHN WILLIAMS AND BARBARA WILLIAMS**

**TO TRADE MARK APPLICATION No. 2459772**

**IN THE NAME OF CANARIES SEASCHOOL SLU**

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## DECISION ON COSTS

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1. In my decision issued under reference BL O-074-10 on 23 February 2010 I determined that the Applicant's appeal should be dismissed in relation to the Opponents' objections to registration under Sections 5(4)(a) and 3(6) of the Trade Marks Act 1994.

2. I also set aside the Hearing Officer's order for costs and gave directions with a view to determining the question of how and by whom the costs of the proceedings in the Registry and on appeal should be borne and paid. Both sides subsequently filed written representations on their own behalf. Neither side requested an oral hearing.

Opponents' representations

3. On 17 March 2010 the Opponents provided statements of work and expenditure in respect of their conduct of the proceedings.

4. John Williams provided a schedule in the form attached as Annex A to this Decision. This showed 196 hours of time spent on conduct and preparation of the case. In his accompanying witness statement he stated:

> I would respectfully point out that these hours have been pared down to a point that I believe makes them acceptable. The actual hours were far in excess of what has been quoted. These hours are only in respect of my time. My wife, Barbra Williams, was also heavily involved in assisting me due to her specialised knowledge of the paperwork involved.

In a separate witness statement Barbara Williams put forward an under-estimate of the amount of time she had spent on conduct and preparation of the case at 158 hours.

5. Using a rate of €0.62 per kilometre for travel expenses and €37.50 per hour as his suggested rate of remuneration, Mr. Williams claimed expenses and remuneration in the sum of £7,128 based on an exchange rate of €1 = £1.1. Using a suggested hourly rate of £38, Mrs. Williams claimed remuneration in the sum of £6,004.

Applicant's representations

6. The Applicant maintained that the number of hours for which the Opponents claimed remuneration was, in each case, excessive.

7. In relation to the hourly rate of remuneration claimed by John Williams, the Applicant proposed that the rate allowed to him should be commensurate with: (1) the minimum wage in the Canary Islands being €690 per month; (2) his income

from providing powerboat courses during the pendency of the proceedings being about €10 per hour.

8. In relation to the hourly rate of remuneration claimed by Barbara Williams, the Applicant proposed that the rate allowed to her should be commensurate with: (1) the minimum wage in the Canary Islands being €690 per month; (2) her wages having previously been paid at the rate of €5.89 per hour between June 2003 and August 2004; (3) her wages having previously been paid at the rate of €5.68 per hour in 2006.

9. The travel expenses claimed by Mr. Williams were said to be excessive on the basis that fuel costs in the Canary Islands would suggest a running cost rate of €0.16 per kilometre and a company car rate of €0.05 per kilometre for a medium sized car.

10. The Applicant asked for the costs award to include a provision for payment over time in view of the financial pressure it was said to be experiencing due to the current economic downturn.

Opponents' reply

11. The Opponents rejected the Applicant's figurework relating to their claimed expenses and their claimed hourly rates of remuneration. In view of what they considered to be misleading statements and provocative behaviour on the part of the Applicant, they decided to enlarge their original claim by increasing the figures for time spent and expenses incurred so as to result in an overall amount

attributable to Mr. Williams' involvement of £22,128 and an overall amount attributable to Mrs. Williams' involvement of £13,078 using an exchange rate of €1 = £1.127.

Decision

12. Section 68(1) of the Trade Marks Act 1994 establishes that:

> "Provision may be made by rules empowering the registrar, in any proceedings before him under this Act –
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> (a) to award any party such costs as he may consider reasonable, and
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> (b) to direct how and by what parties they are to be paid."

Rule 67 of the Trade Marks Rules 2008 accordingly provides that

> "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."

13. The long established practice in Registry proceedings is to require payment of a contribution to the costs of a 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 case. The Appointed Persons normally draw upon this approach when awarding costs in relation to appeals brought under Section 76 of the 1994 Act.

14. The use of scale figures in this way makes it possible for the decision taker to assess costs without investigating whether or why there are: (a) disparities between the levels of costs incurred by the parties to the proceedings in hand; or (b) disparities between the levels of costs in those proceedings and the levels of costs incurred by the parties to other proceedings of the same or similar nature. This approach to the assessment of costs has been retained for the reasons identified in Tribunal Practice Notice TPN 2/2000 (Kerly's Law of Trade Marks and Trade Names 14th Edn. 2005 pp. 919 et seq).

15. It is, as I have indicated, open to the decision taker to depart from the published scale figures in the exercise of the power to award such costs as (s)he may consider reasonable under Rule 67. In that connection Tribunal Practice Note TPN 4/2007 provides the following guidance:

> "**Off scale costs**
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> 5. TPN 2/2000 recognises that it is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour. Whilst TPN 2/2000 provides some examples of unreasonable behaviour, which could lead to an off scale award of costs, it acknowledges that it would be impossible to indicate all the circumstances in which a Hearing Officer could or should depart from the published scale of costs. The overriding factor was and remains that the Hearing Officer should act judicially in all the facts of a case. It is worth clarifying that just because a party has lost, this in itself is not indicative of unreasonable behaviour.
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> 6. TPN 2/2000 gives no guidance as to the basis on which the amount would be assessed to deal proportionately with unreasonable behaviour. In several cases since the publication of TPN 2/2000

> Hearing Officers have stated that the amount should be commensurate with the extra expenditure a party has incurred as the result of unreasonable behaviour on the part of the other side. This "extra costs" principle is one which Hearing Officers will take into account in assessing costs in the face of unreasonable behaviour.
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> 7. Any claim for cost approaching full compensation or for "extra costs" will need to be supported by a bill itemising the actual costs incurred.
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> 8. Depending on the circumstances the Comptroller may also award costs below the minimum indicated by the standard scale. For example, the Comptroller will not normally award costs which appear to him to exceed the reasonable costs incurred by a party."

16. It should at this point be emphasised that an award of costs must reflect the effort and expenditure to which it relates, without inflation for the purpose of imposing a financial penalty by way of punishment for misbehaviour on the part of the paying party. It is certainly not possible to award compensation to the receiving party for the general economic effects of the paying party's decision to pursue the proceedings in question: Gregory v. Portsmouth City Council [2000] 2 WLR 306 (HL); Land Securities Plc v. Fladgate Fielder (A firm) [2009] EWCA Civ 1402 (18 December 2009).

17. Whilst it is appropriate to allow a litigant in person more time for a particular task than a professional adviser would be allowed, it remains necessary to ensure that such litigants are neither disadvantaged nor over-compensated by comparison with others who are professionally represented: SOUTH BECK Trade Mark (BL O-160-08; 9 June 2008) at paragraphs 36 and 37 per Mr. Richard Arnold Q.C.

18. Within the parameters of the approach to assessment I have summarised above, I intend to set the costs at a level which will require the Applicant to go as far as it reasonably and properly should towards paying for the conduct and preparation of the well-founded opposition which it obtusely contested at first instance and on appeal without having any legitimate basis for so doing.

19. I recognise that the Opponents were not as focused and efficient as they could have been in the presentation of their case. The time they claim to have devoted to the conduct and preparation of their case is far greater than it would be appropriate to allow for the purpose of ensuring that they are neither disadvantaged nor over-compensated as a result of acting on their own behalf in the present proceedings. The Applicant cannot reasonably be required to compensate them for the disproportionately large amounts of time they required to deal with their opposition in the rather laboured way in which they dealt with it.

20. I note that the hourly rates of remuneration they have proposed are well above the bottom limit of £9.25 per hour that would apply if they had been acting on their own behalf in proceedings within the scope of the Litigants in Person (Cost and Expenses) Act 1975. In the circumstances of the present case I am nonetheless prepared to allow them a rate of remuneration averaged out at £30 per hour over the number of 'man hours' which can reasonably be taken to reflect the amount of time that would have been relevantly and proportionately required for the conduct and preparation of their case in an efficient manner.

21. I consider that 90 ‘man hours’ should, from the perspective I have identified, be taken to represent the total amount of time required by the Opponents as litigants in person to bring their opposition to a successful conclusion at first instance and on appeal. At £30 per hour that equates to £2,700. The Opponents’ travel and other expenses will, in my view, be adequately met by an award in the sum of £400.

22. It does not appear to me to be appropriate to require payment of the sum due to the Opponents to be deferred on the basis that the Applicant is said to be experiencing financial pressure in the current economic climate. The Opponents cannot reasonably be expected to act as if they were providers of loan or credit facilities to the Applicant. I think that the justice of the case requires the Applicant to meet its obligations on costs in full without any undue delay.

23. The Applicant is hereby ordered to pay £3,100 to the Opponents on or before Monday 16 May 2010 in respect of the costs of their successful Opposition No. 95502 to the Applicant’s Trade Mark Application No. 2459772 at first instance and before me on appeal.

Geoffrey Hobbs Q.C.

6 May 2010