

O-052-13

TRADE MARKS ACT 1994


**IN THE MATTER OF REGISTRATION No. 2548118
STANDING IN THE NAME OF
ANDREW DAVID METHVEN**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No. 84017
BY NICOLA NOBLE**

BACKGROUND

1) The following trade mark is registered in the name of Andrew David Methven:

Mark	Number	Filing and Registration Dates	Class	Specification
	2548118	18.05.2010 / 08.10.2010	44	Advice relating to cosmetics, advisory services relating to beauty treatment, application of cosmetic products to the body, application of cosmetic products to the face, application of toiletry products to the body, application of toiletry products to the face, barber services, beautician services, beauticians (services of-), beautification services, beauty consultancy, beauty consultation, beauty counselling, beauty salon services, beauty salons, beauty therapy services, beauty therapy treatments, beauty treatment, consultancy relating to cosmetics, consultancy services relating to beauty, consultancy services relating to cosmetics, consultation services relating to beauty care, consultation services relating to skin care, cosmetic electrolysis, cosmetic electrolysis for the removal of hair, cosmetic make-up services, cosmetic treatment, cosmetic treatment for the body, cosmetic treatment for the face, cosmetic treatment for the hair, depilatory treatment, electrolysis for cosmetic purposes, hair care services, hair colouring services, hair cutting services, hair dressing salon services, hair implantation, hair replacement, hair styling, hairdressing, hairdressing salons, make-up services, manicuring, manicuring services, massage, massage services, provision of solarium [sun tanning] facilities, reflexology, reiki services, salon services (beauty-), salon services (hairdressing-), salons (beauty-), salons (hairdressing-), services for the care of the face, services for the care of the feet, services for the care of the hair, services for the care of the scalp, services for the care of the skin, services for the provision of sauna facilities, services for the provision of solarium facilities, shampooing of the hair, solarium facilities (provision of-), solarium services, sun tanning salon services, tanning (sun-) salon services, tattooing, therapeutic treatment of the face, therapy (physical -), wig fitting.

2) By an application dated 23 March 2011, subsequently amended, Nicola Noble applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

Ms Noble contends that Mr Methven has no intention of using the mark in suit. It is stated that the only use made of the mark thus far is on letters written to various hairdressers in the area demanding delivery of goods bearing the mark in suit. It is stated that Mr Methven and Ms Noble were in a relationship for eight years which ended in December 2009 and that the registration was obtained in order solely to damage Ms Noble's business. It is stated that Ms Noble has used the name SEPENDIPITY for over 21 years in Abergavenny including the device element, which was designed by Ms Noble's daughter. Ms Noble contends that the mark in suit offends against Section 3(6), 5(4)(a) and 5(4)(b).

3) Mr Methven provided a counterstatement, dated 19 July 2011, in which he accepted that he had been in a relationship with Ms Noble, and that she has been trading as a

hairdresser under the SERENDIPITY name in Abergavenny for approximately 20 years. However, he denies that Ms Noble's business has established considerable goodwill as he states the business is not well known in the area, is not advertised and the clientele is "stagnant". He states that he designed the device element. The counterstatement also states:

"14. The applicant's [Ms Noble] use of the mark is unknown to the proprietor [Mr Methven] and the proprietor requires the applicant to prove it."

And:

"20. It is averred that the proprietor has assisted Masie Noble in her artistic development since she was twelve years of age, throughout the time that the proprietor and the applicant cohabited. In the event that any overlap in style may be explained by those circumstances."

4) Only Ms Noble filed evidence. Both ask for an award of costs. The matter came to be heard on 30 January 2013. At the hearing the applicant represented herself, whilst Mr Methven was not represented and neither attended nor provided written submissions.

Ms NOBLE'S EVIDENCE

5) Ms Noble filed eight witness statements, including one by herself. The first, dated 28 January 2011 is by Joanne Thompson, an employee of Ms Noble for twelve years. She states that the salon has been in business in Abergavenny for twenty two years. She states that the salon has used a logo design, albeit updated, for the whole time that she was employed there and that the logo was designed by Maisie Noble. She confirms that Mr Methven has made threats to the business, as she read text messages from him on Ms Noble's phone.

6) The second witness statement, dated 28 January 2011, is by Marc Rees a part time employee at the salon. He states that he was in school with Maisie Noble and was aware that she designed the logo. He recalls seeing her in the salon showing the design to the other staff and clients. He also recalls hearing "a very nasty voicemail" in which he states that Mr Methven, whom he knows well, said "he would ruin her [Ms Noble]".

7) The third witness statement, dated 12 February 2011, is by Lauren Williams an employee of Ms Noble. She states: "Regarding Maisie's logo design I would like to point out that I was present when Maisie did some rough sketches with different ideas, she asked myself, some clients and other members of staff which ones we liked best".

8) The fourth witness statement, dated 29 December 2011 is by Philip Noble the ex-husband of Ms Noble. He states that the name was suggested by his late father at the inception of the business in 1989. He provides a copy of a bank statement from June 1989 which shows the name of the account as SERENDIPITY. The fifth and sixth witness statements, both dated 29 December 2011, are by Michael Curry and Wendy Noble the father and mother-in-law of Ms Noble. They both confirm that Ms Noble started her business in 1989 under the name SERENDIPITY.

9) The seventh witness statement, dated 17 March 2012, is by Maisie Noble, the daughter of Ms Noble. She states that she is studying at the London School of Fashion. She states that the original logo was designed by Tina Walton. This consisted of a highly stylised letter “S” which was completely out of scale with the rest of the word “erendipity”. Maisie Noble describes using this as a starting point in designing a new logo as a gift to her mother. At exhibits MN2, MN3, MN4, MN5 and MN7 she provides copies of her drawings which show her experimenting with various aspects of the female form and face with MN7 clearly being the “genesis” of the logo ultimately adopted. Maisie Noble describes discussing these designs with her mother and others during June 2009 when a decision was made by her mother on the design that she preferred. She also gives details about the computer work required in finalising the design so that it could be printed in a bold and clear manner. At MN8 she provides images of the logo used in the mark in suit, dated prior to the application date. She then describes going to Dover & Co. Printers in Abergavenny in June 2009 to discuss the printing of appointment cards with the new name/logo; examples are provided at exhibit MN9 & 10, along with a letter from the printers confirming that they were produced in June 2009. She states that Mr Methven had no input into the designs and that she designed the logo for her mother and that she has signed over all copyrights to her mother on 9 October 2010. A copy of the agreement and designs covered by it is provided at exhibit MN12. The designs include that used in the mark in suit.

10) The eighth witness statement, dated 19 March 2012, is by Nicola Noble. At exhibits NN1-NN17 inclusive she provides numerous letters written by clients, her local MP, bank manager etc all of whom confirm that she has been trading in Abergavenny as a hair dresser under the mark SERENDIPITY for over twenty years. At exhibit NN 20 she provides a copy of a letter from Mr Methven’s former legal advisors, Silverman Sherliker LLP dated 19 January 2011. This is a “cease and desist” letter and states:

“Your Trade Mark Infringement

The “Serendipity” device that you use in connection with your business is identical, or nearly identical, to the registered trade mark, and is being used for goods and services identical to those for which the registration is specified.”

It continues:

“As evidence of your infringement we include as an enclosure to this letter a photocopy of an appointments card given out at your place of business, that contains a representation of the registered trade mark.”

11) That concludes my review of the evidence. I now turn to the decision.

DECISION

12) Section 47 of the Trade Marks Act 1994 reads:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground –

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

13) I will first consider the ground of invalidity under Section 5(4)(b) which reads:

“5. A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) or

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.”

14) It is necessary to decide whether copyright exists in the trade mark for which Mr Methven has applied. The law of copyright in the United Kingdom is governed by the Copyright, Designs and Patents Act 1988 (“CDPA”). Works in which copyright can subsist are defined by section 1(1) of the CDPA:

“(1) Copyright is a property right which subsists in accordance with this Part in the following descriptions of work –

- (a) original literary, dramatic, musical or artistic works,
- (b) sound recordings, films [or broadcasts], and
- (c) the typographical arrangement of published editions.

(2) In this Part "copyright work" means a work of any of those descriptions in which copyright subsists.

(3) Copyright does not subsist in a work unless the requirements of this Part with respect to qualification for copyright protection are met (see section 153 and the provisions referred to there).”

15) Section 4 of the CDPA defines the nature of an artistic work:

“1) In this Part "artistic work" means –

(a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality,

- (b) a work of architecture being a building or a model for a building, or
- (c) a work of artistic craftsmanship.

(2) In this Part –

"building" includes any fixed structure, and a part of a building or fixed structure;

"graphic work" includes –

- (a) any painting, drawing, diagram, map, chart or plan, and

- (b) any engraving, etching, lithograph, woodcut or similar work;

"photograph" means a recording of light or other radiation on any medium on which an image is produced or from which an image may by any means be produced, and which is not part of a film;

"sculpture" includes a cast or model made for purposes of sculpture.”

16) Clearly the trade mark applied for by Mr Methven contains an artistic work. An artistic work must be original, however, under United Kingdom law the standard of originality is low. Originality of thought is not required to sustain a claim to copyright.

“Under copyright ideas are not protected, only the skill and labour needed to give any given idea some particular material form, for it is the form in which the work is presented that is protected by copyright. That need only be original in the sense that it is all the author's own work.”

17) The device or logo element qualifies as an artistic work because it is a graphic work. Mr Methven claims that he devised the logo, but he has not submitted any evidence to corroborate this claim, despite the counter claims made by Ms Noble. Ms Noble has corroborated her claims to use of the mark in suit by filing witness statements from a number of witnesses who confirm that she has been using a logo device almost identical to the mark in suit since 2009. The same witnesses also confirm that the logo was designed by Maisie Noble (Ms Noble's daughter) and that they were shown the logo in its earliest form as well as changes made during its gestation. Further, Maisie Noble has provided a witness statement which included a number of early forms of sketch showing how the logo developed from inception to the form finally chosen. She even details the visit to the printers, in 2009, to arrange for the printing of the appointment cards complete with logo subsequently complained of by Mr Methven. Whilst this letter must be regarded as hearsay as it is not in the form of a witness statement, it is unchallenged. I also note that the copyright to the design and variations around the theme, also devised by Maisie Noble, were signed over to Ms Noble in October 2010, prior to the “cease and desist” letter.

18) I have to determine issues on the balance of probabilities principle. In the instant case, it is my opinion, that the logo element of the mark registered was designed by Maisie Noble and subsequently assigned to Ms Noble by her daughter. As such Mr Methven does not have the right to use the logo as part of his trade mark without the permission of Ms Noble. The use of the logo within the registered mark is liable to be prevented under section 96 of the Copyright, Designs and Patents Act 1988. **Ms Noble's section 5(4)(b) ground succeeds against Mr Methven's registration.**

19) I next turn to deal with the ground under Section 3(6) which reads:

“3.(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

20) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

21) In case O/094/11 [*Ian Adam*] Mr Hobbs Q.C. acting as the Appointed Person summed up the bad faith test in the following manner:

“31. The basic proposition is that the right to apply for registration of a trade mark cannot validly be exercised in bad faith. The invalidity of the application is not conditional upon the trade mark itself being either registrable or unregistrable in relation to any goods or services of the kind specified. The objection is absolute in the sense that it is intended to prevent abusive use of the system for acquiring title to a trade mark by registration. Any natural or legal person with the capacity to sue and be sued may pursue an objection on this ground: see the Judgment of the Court of Justice in Case C-408/08P Lancôme parfums et beauté & Cie SNC v. OHIM [2010] ECR I-00000 at paragraph [39] and the Opinion of Advocate General Ruiz-Jarabo Colomer at paragraphs [63] and [64]. Since there is no requirement for the objector to be personally aggrieved by the filing of the application in question, it is possible for an objection to be upheld upon the basis of improper behaviour by the applicant towards persons who are not parties to the proceedings provided that their position is established with enough clarity to show that the objection is well-founded.

32. Any attempt to establish bad faith must allow for the fact that there is nothing intrinsically wrong in a person exercising *‘the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights’* as noted in paragraph [121] of the Opinion delivered by Advocate General Trstenjak in Case C-482/09 Budejovicky Budvar NP v. Anheuser-Busch Inc on 3 February 2011. In paragraph [189] of his judgment at first instance in Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd [2009] EWHC 3032 (Ch); [2009] RPC 9 Arnold J. likewise emphasised:

... that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The

applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Art. 107 can hardly be said to be abusing the Community trade mark system.

These observations were not called into question in the judgment of the Court of Appeal in that case: [2010] EWCA Civ 110; [2010] RPC 16. They were re-affirmed by Arnold J. in Och-Ziff Management Europe Ltd v. Och Capital LLP [2011] ETMR 1 at paragraph [37].

33. The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose. The appropriate remedy will in that case be rejection of the offending application for registration to the extent necessary to render it ineffective for the purpose which made it objectionable in the first place.

34. In a case where the relevant application fulfils the requirements for obtaining a filing date, the key questions are: (1) what, in concrete terms, is the objective that the applicant has been accused of pursuing? (2) is that an objective for the purposes of which the application could not properly be filed? (3) is it established that the application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling on the point from the Court of Justice, is taken to condemn not only dishonesty but also *'some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined'*: Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd [1999] RPC 367 at 379 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged.

35. In assessing the evidence, the decision taker is entitled to draw inferences from proven facts provided that he or she does so rationally and without allowing the assessment to degenerate into an exercise in speculation. The Court of Justice has confirmed that there must be an overall assessment which takes into account all factors relevant to the particular case: Case C-529/07 Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893 at paragraph [37]; Case C-569/08 Internetportal und Marketing GmbH v. Richard Schlicht [2010] ECR I-00000 at paragraph [42]. As part of that assessment it is necessary as part of that approach to consider the intention of the applicant at the time when the application was filed, with intention being regarded as a subjective factor to be determined by reference to the objective circumstances of the particular case: Chocoladefabriken Lindt & Sprüngli GmbH (above) at paragraphs [41], [42]; Internetportal and Marketing GmbH (above) at paragraph [45]. This accords with the well-established principle that 'national courts may, case by case, take account -on the basis of objective evidence -of abuse or fraudulent conduct on the part of the persons

concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely': Case C16/05 The Queen (on the applications of Veli Tum and Mehmet Dari) v. Secretary of State for the Home Department [2007] ECR I-7415 at paragraph [64].

36. The concept of assessing subjective intention objectively has recently been examined by the Court of Appeal in the context of civil proceedings where the defendant was alleged to have acted dishonestly: Starglade Properties Ltd v. Roland Nash [2010] EWCA Civ 1314 (19 November 2010). The Court considered the law as stated in Royal Brunei Airlines v. Tan [1995] 2 AC 378 (PC), Twinsectra Ltd v Yardley [2002] 2 AC 164 (HL), Barlow Clowes International Ltd v. Eurotrust International Ltd [2006] 1 WLR 1476 (PC) and Abu Rahman v. Abacha [2007] 1 LL Rep 115 (CA). These cases were taken to have decided that there is a single standard of honesty, objectively determined by the court and applied to the specific conduct of a specific individual possessing the knowledge and qualities that he or she actually possessed: see paragraphs [25], [28], [29] and [32]. This appears to me to accord with treating intention as a subjective factor to be determined by reference to the objective circumstances of the particular case, as envisaged by the judgments of the Court of Justice relating to the assessment of objections to registration on the ground of bad faith.”

22) In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date (*Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH* [2009] ECR I-4893; *Hotpicks Trade Mark*, [2004] RPC 42 and *Nonogram Trade Mark*, [2001] RPC 21). The relevant date is therefore 18 May 2010.

23) I take into account the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme O/161/07* where he commented on the issue of unchallenged evidence and cross examination:

“Unchallenged evidence

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal*

Commissioner of Taxation (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phillips* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] *BusLR* 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

24) This does not mean that the applicant is absolved from the onus of having to make their case, but it does mean that if their evidence provides a cogent narrative, which is at least in part corroborated, then I should be reluctant to find that they have not proved their case. In the instant case, Mr Methven chose not to file any evidence. Whilst he filed a counterstatement which contained denials in relation to all the grounds pleaded he has not responded to the specific evidence filed by Ms Noble. In his counterstatement, Mr Methven accepts that Ms Noble has been trading as a hairdresser in Abergavenny for twenty years under the name SERENDIPITY. His counterstatement also contained the following paragraph:

14. The applicant's [Ms Noble] use of the mark is unknown to the proprietor [Mr Methven] and the proprietor requires the applicant to prove it."

25) However, in her evidence Ms Noble provides a copy of a letter from Mr Methven's legal advisers dated prior to his counterstatement which refers to use of a device mark on

an appointments card which is identical to the mark in suit, paragraph 10 above refers. Therefore, Mr Methven was well aware that Ms Noble was using the logo mark as she had contended in her application for invalidity. Ms Noble has corroborated her claims to use of the mark in suit by filing witness statements from a number of witnesses who confirm that she has been using a logo device almost identical to the mark in suit since 2009. Earlier in this decision I found that, on the balance of probabilities the device/logo element was devised by Maisie Noble and assigned to her mother, Ms Noble. The artwork was created prior to Mr Methven leaving the shared home and his reported claims to hold the original can be explained by it finding its way into his things when the relationship broke apart.

26) In the face of these very specific claims by Ms Noble and a very large number of family, friends, clients and acquaintances such as her bank manager and local MP Mr Methven chose not to file evidence.

27) To my mind, it seems inconceivable that Mr Methven was unaware of the new logo device being used from June 2009 by the woman with whom he cohabited until December 2009. He was well aware that Ms Noble had used the term SERENDIPITY, albeit with a different logo device, for over twenty years. To my mind (paraphrasing Mr Hobbs QC acting as the Appointed Person in BL O-074-10) the behaviour of Mr Methven towards Ms Noble in connection with the filing of the opposed application for registration was, to my mind, tainted by a desire to deprive her of her entitlement to the goodwill appertaining to the verbal and non-verbal elements of the sign in issue. **I find that the mark was applied for in bad faith and the ground of invalidity under Section 3(6) succeeds.**

28) Given the above findings I do not need to consider the ground of invalidity under Section 5(4)(a).

CONCLUSION

29) The application for invalidity has succeeded under both section 3(6) and 5(4)(b).

COSTS

30) Ms Noble has been successful and is therefore entitled to a contribution towards her costs. In making a costs award I take into account that Ms Noble was originally professionally represented but during the course of the case dispensed with her legal representation. I therefore need to take into account the comments of Simon Thorley Q.C. sitting as the Appointed Person on appeal, in *Adrenalin Trade Mark*, BL O/040/02; he observed that:

“6. Under section 68 of the Trade Marks Act 1994, the Registrar is given a wide discretion to award costs. The principles upon which the Registrar will exercise that discretion are set out in a Tribunal Practice Note (TPN 2/2000 – see *Kerly’s Law of Trade Marks* 13th edition page 1009). In general the Registrar proceeds by reference to a scale of costs and it is a long established practice that costs in proceedings before the Registrar are not intended to compensate parties for the expense to which they may have been put. Mr. Knight expressed the policy behind the scale of costs in his decision in this case as follows:

‘That scale of costs is meant to be a reasonable scale based upon the policy that no-one should be deterred from seeking to register their intellectual property rights or indeed defend their intellectual property rights so that, for example, if a litigant in person loses an action before the trade mark registry, he or she would know fairly clearly in advance the sum of money they may have to pay to the other side.’

7. Plainly however a pre-requisite of making an award of costs on the scale of costs is that the award should not exceed the costs incurred.

8. It is correct to point out that the Registrar’s practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6.

...

10. As indicated above, the Registrar is given a wide discretion as to costs. The practice note is, and is intended to be, merely guidance as to how the Registrar will, in general, exercise that discretion. It does not and cannot impose a fetter upon the overriding discretion.

11. Part 44.3 of the CPR sets out the circumstances which should be taken into account when a court exercises its discretion as to costs and in my judgment exactly the same principles apply to the Registrar.”

31) I also rely upon the comments of Richard Arnold QC, acting as the Appointed Person in *South Beck* B/L O/160/08 where he commented:

“34. The Registrar is not bound by the CPR. On the other hand, the Registrar is entitled to, and does, have regard to the CPR in exercising his powers in circumstances where the Trade Marks Act 1994 and Trade Marks Rules 2000 do not make specific provision. Section 68 of the 1994 Act and rule 60 of the 2000 Rules give the registrar discretion to “award to any party such costs as she may consider reasonable”, but do not place any constraints upon the exercise of that discretion. I agree with Mr Thorley that (i) an award of costs should not exceed the costs incurred and (ii) a litigant in person should not be in any more favourable position in proceedings in the Registry than he would be in High Court proceedings under CRP r. 48.6. So far as the first point is concerned, I note that paragraph 8 of TPN 4/2007 now states:

“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.”

35. Turning to the second submission, I agree with counsel for the opponent that the hearing officer appears to have misapplied CPR r. 48.6 and to have awarded the applicant two-thirds of the scale costs he would have awarded a professionally represented litigant without reference to the applicant’s actual loss or any figure calculated in accordance with r. 48.6(4)(b).

36. In my judgment the approach which should be adopted when the Registrar is asked to make an award of costs in favour of a litigant in person is as follows. The hearing officer should direct the litigant in person pursuant to r. 57 of the 2000 Rules to file a brief schedule or statement setting out (i) any disbursements which the litigant claimed he has incurred, (ii) any other financial losses claimed by the litigant and (iii) a statement of the time spent by the litigant in dealing with the proceedings. The hearing officer should then make an assessment of the costs to be awarded applying by analogy the principles applicable under r. 48.6, but with a fairly broad brush. The objective should be to ensure that litigants in person are neither disadvantaged nor overcompensated by comparison with professionally represented litigants.

37. In the present case I directed the applicant to provide such a schedule. The applicant duly filed a schedule claiming in respect of the proceedings at first instance disbursements of £20 together with mileage of 310 miles. No specific mileage rate was claimed so I propose to apply a rate of 25p per mile, giving a figure of £77.50, making total disbursements of £97.50. The applicant also estimated that it had spent a total of 83 hours dealing with the first instance proceedings. While this seems quite a lot by professional standards, it is appropriate to allow a litigant in person more time for a particular task than a professional advisor would be allowed: *Mealing McLeod v Common Professional Examination Board* [2000] 2 Costs L.R. 223. At the rate of £9.25 [now £18] an hour, 83 hours comes to £767.75. Accordingly, I shall set aside the hearing officer's costs order and substitute an order that the opponent pay the applicant the sum of £865.25 in respect of the first instance proceedings.

38. So far as the appeal is concerned, the applicant again claimed disbursements of £20 and mileage of 310 miles. It also estimated that it had spent 21 hours dealing with the appeal. Accordingly I shall order the opponent to pay the applicant the sum of £291.75 in respect of the appeal, making a total of £1157."

32) In accordance with these principles I direct Ms Noble to provide a brief schedule of costs setting out any disbursements incurred, any other financial losses claimed and a statement of the time spent in dealing with the proceedings. This should be submitted to the Registry, and copied to Mr Methven, within one month of the date of issue of this decision.

Dated this 31st day of January 2013

**G W Salthouse
For the Registrar
the Comptroller-General**
