

O-557-16

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 501194

BY LOHMANN & RAUSCHER INTERNATIONAL GMBH & CO KG

FOR A DECLARATION OF INVALIDITY OF REGISTRATION NO. 3137211

IN THE NAME OF FOSHAN UNITED MEDICAL TECHNOLOGIES LTD

DECISION ON COSTS

BACKGROUND

1. Trade mark number 3137211 was registered in the name of Foshan United Medical Technologies Ltd (“the proprietor”). On 16 August 2016 Mr Raoul Colombo, acting on behalf of the Registrar, issued a short decision (“the original decision”) under Rule 41(6) of the Trade Marks Rules 2008 (“the Rules”) declaring the registration of trade mark 3137211 to be invalid. The reasons for the decision were, essentially, that the proprietor had failed to file a Form TM8 and counter-statement within the two month period prescribed by Rule 41(6)¹ in answer to an application to declare trade mark 3137211 invalid (Form TM26(I), brought by Lohmann & Rauscher International GmbH & Co KG (“the applicant”). Absent of any evidence or submissions from the proprietor upon which discretion in its favour might possibly have been exercised, the applicant succeeded and the registration was declared invalid.

2. On 18 August 2016, Dr Xiaodong Wang of United Medical Innovations Limited, the proprietor’s representatives, contacted the Registry in relation to the invalidity application. Dr Wang contented that he did not receive copy of the Form TM26(I) or of the official letter sent on 25 July 2016 which informed the proprietor that, as no TM8 and counter-statement had been filed, the Registry was minded to treat the application as unopposed and allowed until 8 August 2016 in which to provide a response. Dr Wang also sought permission to defend the proprietor’s registration against the invalidity action. On 25 August 2016 the Registry replied as follows:

“It is the Registry’s position in the absence of any evidence to the contrary that the letters dated 13 May 2016 and 25 July 2016 were successfully delivered. As the decision to deem your application abandoned has been issued, it is not legally possible to consider any counterstatement in defence of this cancellation application.

¹ Two month of the date on which copy of the Form TM26(I) was sent to the applicant. In the circumstances of the case the form was sent on 13 May 2016 and the specified deadline for the filing of a TM8 and counter-statement was 13 July 2016.

If you wish to challenge this decision, I attach copy of form TM29 for which there is no fees.”

3. At this point, I should explain that after the Registrar has made a decision to declare a mark invalid under Rule 41(6), the proprietor, whose mark has been declared invalid, may apply for an order to set aside the decision of the Registrar under Rule 43(1)(c). The application is filed on a Form TM29 and must be made within six months, beginning with the date that the Register was amended to reflect the declaration of invalidity (Rule 43(2)). For that purpose, the proprietor must demonstrate to the reasonable satisfaction of the Registrar that the failure to file a Form TM8 within the period specified in the relevant Rules was due to a failure to receive Form TM26(I) (Rule 43(3)). In this connection I note that, to date, no Form TM29 has been filed and that no appeal was pursued in relation to the original decision².

4. On 28 September 2016 the applicant asked for an award of costs and the proprietor was allowed until 17 October 2016 in which to make any comments. Having not heard from the proprietor, the Registrar’s preliminary view, set out in an official letter of 25 October 2016, was that the applicant should receive an award of £400 made up of £200 to cover the statutory fee filing and £200 for the preparation of the Form TM26(I).

5. On 27 October 2016 Dr Wang challenged the preliminary view opposing an award of costs and requested a hearing, which took place before me on 17 November 2016. Dr Wang appeared on behalf of the proprietor. The applicant requested the preliminary view to be maintained, but elected not to attend. The main objections raised by Dr Wang in his skeleton arguments and reiterated orally at the hearing were essentially submissions, unsupported by any evidence, requesting me to review the correctness of the original decision. The first submission advanced by Dr Wang was that the proprietor had not received the Form TM26(I); in addition, he contended that the application for invalidation was incorrectly filed since the applicant had failed to provide a statement of use. At the hearing, I reminded Dr

² The specified deadline to appeal the original decision was 13 September 2016

Wang that the subject of the hearing was the question of costs and not the part of the proceedings in which the Registrar found that the applicant was successful. Insofar as the first submission is concerned, there is no appeal in relation to the original decision and, consequently, its correctness is to be presumed. As to the alleged inadequacy of the Form TM26(l) to the extent that new grounds are raised, they are out of time, hence, I will say no more about them.

6. In his skeleton argument, Dr Wang contended that “never during our conversations with the IPO was it brought to our attention that we could possibly incur further charges by taking no further actions”. This comment does not assist the proprietor as there is no obligation upon the Registry to warn parties about the costs implications of their actions. Further, information about costs in the proceedings before the Registry is readily available from the Intellectual Property Office’s (IPO) website at <https://www.gov.uk/government/publications/trade-marks-invalidation/trade-marks-invalidation>³. Dr Wang also argued that: (i) the proprietor has incurred marketing and packaging costs following the grant of the mark, which has been declared invalid; (ii) the proprietor has incurred further costs in seeking legal advice in relation to the proceedings; (iii) the choice not to appeal the original decision stems from the fact that the proprietor is a small company having already incurred substantive costs and reflects the view that “by initiating further IPO and patent attorney costs [the proprietor] could not compete against a major organisation such as [the applicant]”; (iv) the proprietor’s decision not to appeal the original decision has saved both parties money.

7. Once again, these points do not assist the proprietor. The Registrar has a statutory power to award reasonable costs.

Section 68(1) of the Trade Marks Act 1994 (“the Act”) provides:

³ The website page clearly state in relation to costs relating to invalidation proceedings:

“Costs in invalidation proceedings”

“Will I be able to recover all of my costs before the Tribunal or the Appointed Person?”

At the conclusion of any proceedings before the Tribunal the successful party may request that an award of costs be made in its favour.”

“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.”

8. Rule 67 of the Rules 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 what parties they are to be paid.”

9. It is a long established practice in Registry proceedings to award costs to a successful party on a contributory basis⁴⁴. The amount of the contribution is normally determined within the limits set out in the published scale. The version of the scale applicable to this case is included in Tribunal Practice Notice (“TPN”) 4/2007.

10. In the circumstances of the case, the applicant has been successful in its action and is entitled to a contribution towards its costs. There is no suggestion that the applicant has behaved unreasonably during the proceedings, and the circumstances relied upon by Dr Wang are not as such that they would, in my view, justify a departure from the normal practice, i.e. that costs are awarded to the successful party. The question is therefore whether the quantum awarded is appropriate. The £200 awarded in relation to the statutory fees is correct. The only item I need to review is the £200 awarded in relation to the preparation of the TM26(I). In this connection I note that TPN 4/2007 indicates that in relation to “Preparing a statement and considering the other side’s statement” an award “from £200 to £600 depending on the nature of the statements, for example, their complexity and relevance” is appropriate. The applicant has been professionally represented and the Form TM26(I) filed consisted of 15 pages; whilst it has not been necessary for the applicant to consider a Form TM8 and counter-statement, it had to consider a number of submissions made by the proprietor in a late attempt to defend its registration after the original decision was issued. Balancing all these factors, I

⁴⁴ TPN 2/2000

conclude that an award of £200 (which is the bottom end of the scale) is appropriate. My decision is therefore to maintain the preliminary view and award £400 to the applicant.

CONCLUSIONS

11. I therefore order Foshan United Medical Technologies Ltd to pay Lohmann & Rauscher International GmbH & Co KG the sum of **£400** as a contribution towards its costs. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case, if any appeal against this decision is unsuccessful.

Dated this 25th day of November 2016

**pp Teresa Perks
For the Registrar
The Comptroller – General**