

O/0234/23

TRADE MARKS ACT 1994

DECISION ON COSTS

IN THE MATTER OF APPLICATION NOS. 3570701 & 3652880
BY ADDTOBAG LIMITED
TO REGISTER THE FOLLOWING TRADE MARKS:

addtobag

AND

Add to Bag Limited

IN CLASS 35

AND

IN THE MATTER OF OPPOSITIONS THERETO
UNDER NOS. 423497 & 429818
BY CLICK ADD TO BAG LIMITED

Background

1. On 21 December 2020, Addtobag Limited (“the applicant”) applied to register the trade mark **addtobag** in the UK in respect of ‘*business consultancy relating to the administration of information technology*’ in class 35.
2. On 8 June 2021, the applicant applied to register the trade mark **Add to Bag Limited** in the UK in relation to ‘*business consultancy and digital innovation in the field of the fashion and textiles industry*’ in class 35.
3. Both applications were opposed by Click Add To Bag Limited (“the opponent”). The oppositions were brought under sections 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relied upon its UK registration number 3569449, **ADDTOBAG**, and class 42 services thereof.
4. The applicant filed counterstatements, denying the grounds of opposition. Thereafter, the proceedings were consolidated pursuant to rule 62(1)(g) of the Trade Marks Rules 2008 (“the Rules”).
5. Both parties filed evidence in chief and the opponent filed evidence in reply. A substantive hearing was requested by the applicant and was scheduled to take place before me, by video conference, on 8 February 2023.
6. On 5 December 2022, the applicant made a request to file additional evidence in these proceedings. In its official letter dated 20 January 2023, the parties were advised that it was the preliminary view of the Registrar to deny that request. A deadline of 27 January 2023 was given for the parties to request a case management conference (“CMC”) if they wished to challenge the preliminary view.
7. On 24 January 2023, the applicant duly requested a CMC to discuss the refusal of its additional evidence. On 26 January 2023, the Registrar confirmed that the substantive hearing listed for 8 February 2023 would be replaced with a CMC and rescheduled once the procedural matter had been resolved.

8. On 7 February 2023, the applicant expressed by email that it wished to withdraw application number 3570701. After the Registrar sought clarification, on 8 February 2023, the applicant confirmed that it also wished to withdraw application number 3652880.

9. On 9 February 2023, the opponent wrote to the Registrar in the following terms:

“Please can you confirm what this means for the opposition?

Although we welcome [the applicant’s] decision to withdraw their applications, it’s not the outcome we wanted.

What is to prevent them from applying for a new trademark tomorrow and we have to go through all of this opposition all over again?

It’s frustrating given that the IPO’s preliminary view was that the applications should be refused in December 2021 and we are now nearly 2 years into an opposition with no guarantee that [the applicant] will stop continuing to use our trademark nor can we claim any costs back from her for the money we have spent to get the opposition to this position.”

10. On 10 February 2023, the Registrar wrote to the parties to confirm that, due to the withdrawal of the contested applications, the oppositions were effectively defunct and did not require determination. However, as the oppositions were defended before the applications were withdrawn, both parties were invited to file any comments they had on the issue of costs.

11. On the same day, the opponent made the following request for costs:

“While we welcome the applicant's decision to withdraw their application, it is disappointing that we invested a significant amount of time and resources over the past 2 years into this opposition, and we are left without a decision from the IPO.

We first notified [the applicant] on February 22nd, 2021 by letter, that their application (UK00003570701) was in violation of our existing trademark. Subsequently, we initiated the opposition on March 12th, 2021 at a cost of £100 to the IPO. Unfortunately, despite being aware of the opposition, [the applicant] proceeded to file a second trademark application (UK00003652880) on June 8th, 2021 to which we again opposed at a cost of £100.

It is noteworthy that during the opposition process, the acceptance of [the applicant's] TM8 and counterstatement was delayed by four months and twenty-three days past the IPO's deadline of May 12th, 2021. The reason for this delay was a result of several errors made by the applicant, which required five extensions to the deadline.

These missed deadlines and extensions greatly prolonged the opposition process, causing frustration for all involved. Despite the IPO's preliminary view on October 25th, 2021 that the applications should be refused, [the applicant] persisted into the evidence rounds, further prolonging the opposition by over 14 months before ultimately withdrawing at the eleventh hour.

While we represented ourselves throughout this two-year opposition, incurring mainly time-related costs. However, we also incurred additional expenses of £300 (2x TM7 opposition applications and 1x TM9-RET), and therefore, we believe that [the applicant] should compensate us for these costs at a minimum.”

12. The opponent, as an unrepresented party, also filed a completed costs proforma. This includes details of the official fees spent and estimates of the number of hours spent on a range of given activities relating to the consolidated proceedings.

Preliminary remarks

13. On 22 February 2023, the applicant also filed a completed costs proforma. I note that the applicant claims £28,196 in relation to these proceedings (comprising 280.75 hours work at £100 per hour, as well as £121.45 in postage costs). Whilst I do not

doubt that the applicant has expended time in defending its applications, it is well established that costs in proceedings before the Registrar follow the event, i.e. they are typically awarded to the successful party. Although a final determination of the matter has not been necessary, given that the applications were withdrawn after being defended, it is the opponent, rather than the applicant, that is entitled to a contribution towards its costs.

Decision

14. Section 68 of the Act states as follows:

“(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.

[...]”

15. Rule 67 of the Rules provides:

“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.”

16. The Registrar usually awards costs in accordance with a published scale.¹ As a matter of practice, litigants in person are asked to complete a costs proforma to ensure that the costs awarded do not exceed the amount spent on the proceedings. There is no right to be awarded the amount claimed. This is subject to an assessment of the

¹ For these proceedings, the relevant scale would have been that contained in Tribunal Practice Notice 2/2016.

reasonableness of the claim. The Registrar awards costs on a contributory, not compensatory, basis; account must be taken of that when assessing the claim made.

Forms

17. In relation to preparing its notices of opposition, the opponent has claimed 2 hours (1 hour per form). It has also claimed 2 hours for considering the forms filed by the applicant. The oppositions were based on one earlier right, which was not subject to proof of use, under sections 5(2)(a) and 5(2)(b) only. The opponent's statements of grounds and the applicant's counterstatements were neither lengthy nor complex. I consider the 4 hours claimed to be reasonable.

Evidence

18. Under this activity, the opponent has claimed 2 hours for reviewing the applicant's "TM8 submission", 2 hours for preparing evidence, 5 hours for reviewing the applicant's evidence and 20 hours for responding to the applicant's evidence.

19. Firstly, it is my understanding that the opponent's claim in relation to reviewing the applicant's "TM8 submission" refers to the witness statement of Katherine O'Driscoll, filed in opposition number 423497 in support of the applicant's request to file its defence outside the prescribed period. Ms O'Driscoll's witness statement was not lengthy. However, I note that there were several rounds of correspondence between the Registry and the applicant from the official letter dated 28 May 2021 (advising that no Form TM8 had been received by the stipulated deadline) until the eventual filing of an admissible Form TM8 and witness statement. Each of these correspondences would have likely been reviewed by the opponent. As such, I consider the 2 hours claimed to be reasonable.

20. The opponent's evidence in chief was given in the witness statement of Ross Ewing and four exhibits. The witness statement is less than a page long. The documents exhibited thereto comprise printouts from the Register, the Act and the opponent's class 42 specification. The documents are brief and would have been

accessed easily online. Therefore, the 2 hours claimed appears to be a little excessive. Rather, I consider 1 hour to be reasonable for the preparation of this evidence.

21. The applicant's evidence in chief consisted of the witness statement of Ms O'Driscoll and six accompanying exhibits. Ms O'Driscoll's statement was slightly over 3 pages in length and was not complex. The documentary evidence totalled 29 pages and comprised of lists of the class 42 services of the opponent's registration, a printout from the Register, relatively brief criticisms of Mr Ewing's evidence and a printout of a conversation between Ms O'Driscoll and Mr Ewing on LinkedIn. Having reviewed the evidence filed by the applicant, the 5 hours claimed appears to be rather excessive. Instead, I consider 2 hours to be reasonable for reviewing the applicant's evidence.

22. The opponent's evidence in reply comes in the form of Mr Ewing's second witness statement and thirty-nine exhibits. I note that the evidence largely concerns the opponent's domain name registrations; the applicant's business, companies and activities at Companies House; the applicant's alleged lack of trading; and the applicant's domain name registrations and activities on social media. The pleaded grounds in these oppositions were sections 5(2)(a) and 5(2)(b) of the Act. The matters which were the predominant focus of the opponent's evidence in reply would have been irrelevant to the determination of such grounds, i.e. much of the evidence would have had no material impact on the outcome of these consolidated proceedings. As the opponent filed a significant amount of unnecessary evidence, it is appropriate to considerably reduce the time awarded in connection with this activity. Taking all of this into account, I consider 4 hours to be reasonable for the preparation of this evidence.

Preparing for a hearing

23. The opponent has claimed 5 hours in relation to preparing for the hearing and CMC. I consider this to be reasonable. Although the issues to be determined at both the substantive hearing and the CMC were relatively straightforward, I recognise that, as a litigant in person, Mr Ewing would have had to familiarise himself with the processes and undertake a certain amount of preparation prior to attendance. In addition, the preparation required for the substantive hearing and the CMC would have been different. Although the CMC was no longer required, as the applications were

withdrawn such a short time before it was due to take place, it is likely that the opponent would have done its preparation by the time those withdrawals were communicated.

Request for a retrospective extension of time

24. The opponent has claimed 1 hour for the filing of a retrospective extension of time, as well as the associated £100 official fee. I note that a one-week retrospective extension of time was requested by the opponent for the filing of its evidence in reply. However, official fees paid in making requests for extensions of time are not recoverable. Moreover, as the time spent on preparing the form was due to the opponent's own failure to meet its deadline, it would not be just or reasonable to require the applicant to pay a contribution towards it. As such, I make no award of costs in respect of the retrospective extension of time.

Official fees

25. The opponent has claimed £200 for the official fees paid in connection with the filing of its two notices of oppositions (£100 each). These official fees are recoverable.

Conclusion

26. Taking all of the above into account, I consider the following to be reasonable:

Preparing notices of opposition and considering the forms filed by the applicant	4 hours
Preparing evidence and considering the applicant's evidence	9 hours
Preparing for the hearing and CMC	5 hours
Total	18 hours

27. In relation to the hours spent on these proceedings, I note that The Litigants in Person (Costs and Expenses) Act 1975 (as amended) sets the minimum level of compensation for litigants in person in court proceedings at £19 per hour. I can see no reason to award anything other than this. Therefore, I award the opponent the sum of **£542** (18 hours at £19 per hour, plus £200 in official fees).

28. I hereby order Addtobag Limited to pay Click Add To Bag Limited the sum of **£542**. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings (subject to any order made by the appellate tribunal).

29. The appeal period begins from the date of this decision on costs.

Final remarks

30. I note that, within its letter dated 22 February 2023, the opponent expressed concerns regarding the applicant's ability to pay a costs award due to an alleged application to Companies House to strike off its company. However, there is no evidence before me to that effect. In any event, the enforcement of an award of costs is not a matter for the Registrar or this present decision. Rather, it is a matter for the party in whose favour it has been made.

Dated this 6th day of March 2023

James Hopkins
For the Registrar