

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2264944
BY RUSSELL JONES & WALKER
TO REGISTER A TRADE MARK IN CLASS 42**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 90380
BY CONTEXT LIMITED**

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**IN THE MATTER OF OPPOSITION THERETO under No. 90380
by Context Limited**

Background

1. On 21 March 2001 Russell Jones & Walker applied to register the following mark:

JusticeXpress

for “Legal services; claims notification services, advisory and information services; all the aforesaid provided on-line from a computer data base and/or from the Internet.”

The application is numbered 2264944.

2. On 30 August 2001 Context Limited filed notice of opposition to this application. The statement of grounds was it seems, amended as a result of the Registry’s initial scrutiny of the document and further amended as a result of comments from the applicants. I, therefore, take the grounds and the opponents’ supporting claims from the (final) amended version.

3. The opponents are the proprietors of UK Trade Mark registration No. 1297114, JUSTIS, for “Database services for providing information on legal precedents, all included in Class 42”. There is also reference to a pending application to register the mark in the Czech Republic. I cannot see that this has any direct relevance to the opposition.

4. The opponents say they have used the mark JUSTIS in the UK and worldwide since 1988 for the services of No. 1297114 and also for:

“Databases including on-line computer databases and databases stored on electronic media such as computer discs or tapes or CD-ROM

and computer software for database searching, and stationery including information manuals and literature and training and instruction books for software and computer systems

and management and administration services connected with the supply and servicing of databases, particularly computer databases for providing information on legal precedents,

and including legal advisory and information services provided from a computer database via the internet or on CD Rom.”

5. It is suggested that the mark applied for, is effectively identical to the opponents’ mark JUSTIS since the opponents’ mark is identical to the first word of the mark applied for and the second word is devoid of any distinctive character and is an indication in common use in all trades to designate the speed of services or the speed of delivery of goods. On that basis it is said that the second word cannot impart any distinctive character to the mark applied for and cannot serve to distinguish the mark applied for from the opponents’ mark JUSTIS.
6. The opponents, accordingly, raise objections based on Sections 5(1), 5(2)(a), 5(2)(b), 5(3) and 5(4)(a) of the Act. They do so in terms which largely draw on the wording of the respective Sections.
7. The applicants filed a lengthy counterstatement which denies the opponents’ claims and puts them to proof of their claim to have used their mark. I do not propose to record the applicants’ comments in full. Suffice to say they point out that the opponents originally (and wrongly) referred to the applicants’ mark as JUSTIS XPRESS. Despite the correction of the ‘typographical error’ they say the opponents have persisted in referring to the marks as being ‘effectively identical’. They also offer comments on the nature of the respective services and say that the opponents have failed to say which particular services are considered to be dissimilar for Section 5(3) purposes.
8. Both sides ask for an award of costs in their favour. The applicants have also asked for “an award of costs equal to, or very nearly approaching, full compensation” having regard principally to the efforts made to settle the matter and the delay caused to the launch of their intended service. I will return to this in due course.
9. Both sides filed evidence. In accordance with normal practice a hearing officer reviewed the case and indicated that he did not think an oral hearing was necessary. The parties were, nevertheless reminded of their right to be heard or to offer written submissions. Neither party asked to be heard. Written submissions were received from Withers & Rogers (their letter of 4 March 2003) on behalf of the applicants and Trade Mark Protection Society (their letter of 19 March 2003) on behalf of the opponents. Acting on behalf of the Registrar and with the above material in mind I give this decision.

Opponents' evidence

10. The opponents' main evidence comes from Duncan Christelow, the Commercial Director of Context Ltd. He says that Context Ltd has been trading since 1985 initially under the name Context Legal Systems. The name Context Ltd was adopted in 1989. The company is active within the European Union Database Users Group, The British and Irish Association of Law Librarians and The British and Irish Legal Technology Association. The mark JUSTIS has been used for the services covered by registration No. 1297114 since 1989. Some 24 different products (various law reports, digests and databases on specialist areas of the law) are currently sold under the trade mark both in CD-ROM format and on-line. The company employs more than 50 people.

11. UK Turnover for recent years is given as follows:

| Year | Value | Total No. of Subscriptions (CD-Rom and on Internet Web Site) |
|--------------|--------------|---------------------------------------------------------------------|
| 1996 | £2,749,027 | 2203 |
| 1997 | £3,373,890 | 3553 |
| 1998 | £2,895,800 | 4350 |
| 1999 | £2,670,342 | 5406 |
| 2000 | £2,297,921 | 6161 |
| (2001 to May | £1,705,720 | n/a) |

These figures are retail sums invoiced excluding VAT.

12. In addition to the above the company has made export sales to a variety of countries averaging in excess of £800,000 per annum over the same period (1996-2000).

13. Advertising figures are given as follows:

| Year | Value of advertising |
|--------------|-----------------------------|
| 1996 | £153,800 |
| 1997 | £225,747 |
| 1998 | £190,300 |
| 1999 | £155,991 |
| 2000 | £251,378 |
| (2001 to May | £ 60,919) |

14. By way of substantiation of this trading activity Mr Christelow provides the following exhibits:

DC1 - a list of the products produced and distributed by Context together with release dates;

- DC2 - sample advertising material (leaflets, magazine inserts, web site material etc);
- DC3 - a list of the company's longest standing customers;
- DC4 - details of export sales by country;
- DC5 - a list of exhibitions where products and services bearing the mark have been displayed along with stand and planning details for 2001 events;
- DC6 - letters from potential customers and copies of letters from Context to existing and potential customers;
- DC7 - copies of newsletters produced by Context Ltd showing use of the mark JUSTIS;
- DC8A - D - a selection of press cuttings for various periods from before 1994 up to April 1997;
- DC9 - order forms for products and services;
- DC10 - an invoice dated 31 December 2000 for online usage of the JUSTIS service;
- DC11 - miscellaneous brochures and leaflets;
- DC12 - a selection of CD-ROM discs as supplied to subscribers showing use of the mark.

15. There are in addition two witness statements from Jacqueline Carol Freeman, the opponents' professional representative in this matter. The purpose of her witness statements is to provide confirmation of the opponents' trade mark and company registrations.

Applicants' evidence

16. Richard Bristowe Horner, the applicants' Marketing Director, has filed a witness statement. He says that his firm specialises in meeting the legal needs of individuals and represents clients in cases involving personal injury, medical negligence, wrongful or unfair dismissal, workplace injury, illness and disease, discrimination and property disputes etc. As part of this process the applicants decided to institute a number of online services aimed at providing members of the public with advice and information. Thus the applicants have adopted and sought registration for the mark at issue, LibelXpress and Health & SafetyXpress. The latter two marks are said to have proceeded to registration. Mr Horner says that it is his firm's policy to refrain from using a new trade mark until it is clear that it will not conflict with any pre-existing rights and is itself protected by registration. He comments that "Owing to the mishandling of the opposition filed by Context Limited, which was filed over one year ago and which has involved numerous and

unnecessary delays, my firm has been unable to commence use of its Justice*Xpress* trade mark and to promote and sell services under this mark.”

17. A second witness statement has been filed by Laurel Elizabeth McBray. It is a lengthy document running to some seventy five paragraphs. It covers, inter alia,:

- a detailed review of the various stages in the conduct of the case including the various amendments made to the opponents’ statement of grounds and evidence;
- the efforts made to negotiate a settlement;
- a commentary on Mr Christelow’s evidence;
- comments on the opponents’ earlier trade mark JUSTIS;
- an analysis of the opponents’ customer base (based on Mr Christelow’s exhibit DC3) and target market;
- submissions in relation to comparison of marks, services and the issue of likelihood of confusion;
- comments on the “grossly protracted nature of the proceedings” and the loss of income suffered by the applicants as a result of their inability to launch their intended service under the mark and the implications for costs.

18. I do not propose to record Ms McBray’s evidence in any further detail at this stage. Much of it is in the nature of submissions and will be taken into account at appropriate points in the decision that follows. I will also address the comments made about the opponents’ behaviour and the suggested implications for costs as a separate matter at the end of the decision taking into account the comments and factors set out in Ms McBray’s witness statement and the written submissions filed on the applicants’ behalf.

19. That completes my review of the evidence.

Section 5(1) and 5(2)

20. These read:

“5.-(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

21. Both Section 5(1) and Section 5(2)(a) turn on the respective marks being found to be identical. Consideration of this issue has not been helped by the fact that the opponents originally (mistakenly) referred to the applied for mark as JUSTIS EXPRESS. Even though that error was eventually corrected the opponents have maintained their claim that the marks are “effectively identical”. That is not, of course, a term or concept that is recognised in the Act or the equivalent provisions of First Council Directive 89/104 on which the UK Act is based. The claim rests on the proposition that “the opponent’s mark is identical to the first word of the mark applied for and the second word is devoid of any distinctive character and is an indication in common use in all trades to designate the speed of services or the speed of delivery of goods”. I cannot accept this approach to the matter for reasons which I will briefly explain.

22. The ECJ has recently given guidance on the approach to be adopted in assessing whether marks are identical in *LTJ Diffusion SA and Sadas Vertbaudet SA, Case C-291/00* as follows:

“..... the answer to the question referred must be that Article 5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

23. I will comment on the distinctive character of the opponents’ mark a little later in this decision. Self evidently it is not the word JUSTICE. Nor is JUSTIS an accepted or likely misspelling of that word. But even setting that point aside the applied for mark has the additional elements of the word/abbreviation XPRESS with the X picked out in bolder type and extensions of the diagonals of the letter and the whole being presented as a single composite word. It may be that XPRESS (express) may carry little in the way of distinctive character in its own right but it is well established that non distinctive elements can make up a distinctive whole. I have no hesitation whatsoever in concluding that the circumstances here do not begin to test the boundaries of what can be considered identical marks within the meaning of the ECJ guidance. It follows that the objections based on Section 5(1) and 5(2)(a) must fail.

24. In approaching Section 5(2)(b) I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

Similarity of goods

25. In *Canon v MGM* it was held that:

“In assessing the similarity of the goods or services concerned ... all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary ...”

26. In *British Sugar Plc v James Robertson Sons Ltd*, [1996] RPC 281 (TREAT) Jacob J also considered that trade channels should be taken into account.

27. The respective services are:

- | | | |
|----------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicants' services | - | Legal services; claims notification services, advisory and information services; all the aforesaid provided on-line from a computer data base and/or from the Internet. |
| Opponents' services | - | Database services for providing information on legal precedents, all included in Class 42. |

28. The opponents say that the services are either identical or similar. Ms McBray submits that there is no similarity basing her view on the fact that the applicants' services are legal services whilst the opponents' are database services. It does not matter in her view that the opponents' database services cover legal precedents because, the opponents do not create, apply or influence the law or information relating to the law they merely make it available for use by others. Thus it is said that the nature of the services differs. The end users are also said to be different with the opponents' services aimed principally at legal firms, educational establishments, government offices/agencies, libraries and the like whereas the applicants' intended market is the public at large. The method of accessing the respective services is also said to be different. The opponents' database services are available by subscription whilst the applicants' legal services will be available through their own website and charged for on a case by case basis.

29. I consider that there is some force to the points made on the applicants' behalf though the submissions perhaps underplay the fact that I must take into account the notional scope of the applied for specification and not just the core services as the applicants intend to operate them. On that footing it seems to me that the applicants' "advisory and information services ... all the aforesaid provided on-line from a computer database and/or from the Internet" is nearly indistinguishable from the opponents' "database services for providing information on legal precedents". If they are not actually identical (and in my view they might be said to be alternative methods of describing the same thing) they are certainly closely similar.

30. The position is less clear when it comes to "legal services; claims notification services". The nature and purpose of such services is in my view different to the provision of database or information services though doubtless the latter could form an adjunct to the provision of the former. To that extent they may be complementary but are not in direct competition with one

another. The fact that the applicants have effectively applied for both may point to the fact that there is not a clear distinction between them. It would have been helpful if evidence had been available to shed light on practices within the respective trade and whether there is any expectation on the part of consumers that legal services and database services are typically provided from the same or different sources. Making the best I can of it I consider that legal services and claims notification services are not similar to the applicants' database services for providing information on legal precedents.

Distinctive character of the opponents' earlier trade mark

31. The distinctive character of the earlier trade mark is a factor that must be taken into account. *Sabel v Puma*, paragraph 24. There is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either per se or because of the use that has been made of it, *Sabel v Puma*, paragraph 24.

32. The applicants have submitted that the mark JUSTIS, being the phonetic equivalent of the word JUSTICE, is an exceptionally weak trade mark in respect of any goods or services relating to the provision or operation of systems or principles of justice. The opponents' mark is not registered in respect of legal services as such. It might, therefore, be said that, in relation to database services for providing information on legal precedents, the word 'justice' would be allusive rather than directly descriptive. More importantly, the earlier trade mark is JUSTIS not JUSTICE. Whilst the former is likely to be taken as the phonetic equivalent of the latter it is visually quite different and would not be seen as simply a misspelling or alternative spelling of justice. That leads me to think that the earlier trade mark relies in no small measure for its distinctive character on the spelling/presentation of the word.

33. Has that distinctive character been enhanced as a result of the use made of the mark? In *DUONEBS Trade Mark*, BL O/048/01, Mr S Thorley QC, sitting as the Appointed Person, in dealing with the question of the reputation attaching to a mark said:

“In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark.”

34. Ms McBray in her submissions on behalf of the applicants has sought to cast doubt on the opponents' evidence mainly, it seems to me, because the evidence is not directly linked to the grounds of opposition. She goes on to suggest that Mr Christelow's witness statement is merely evidence of use of the earlier trade mark and insufficient to succeed in an action for passing off.

35. It is true that the evidence has to serve a number of purposes. The claim that the evidence would be insufficient to found a passing off action is in my view unfounded but strictly not relevant to (or conclusive in respect of) the test for determining whether the mark has a reputation/highly distinctive character for the purposes of Section 5(2). I am satisfied that the

opponents have established a significant trade under their mark. It is not necessary to undertake a full review of the evidence (summarised above) to reach this view. Suffice to say that subscriber numbers have increased significantly over the years 1996 to 2000; there is an impressive customer listing (DC3); an extensive exhibition programme which is likely to have contributed to awareness of the mark JUSTIS beyond purely the subscriber base (DC5); and extensive press coverage. But does this mean that JUSTIS has become something of a household name, as Mr Thorley put it, within the marketplace for the services concerned? Although I assume private individuals would be welcome as subscribers to JUSTIS it is reasonable to suppose that, overwhelmingly, subscribers will be institutions, companies, law firms and the like. Is there widespread awareness of JUSTIS amongst that diverse audience? There are indications that JUSTIS is a leading provider – see for instance the reference in the Information World Review document dated December 1993 (Exhibit DC8A) that:

“The two major electronic resources for British legal professionals are LEXIS, an online service produced by Mead Data Central, and the JUSTIS range of CDROM titles from Context. Both publishers were invited to tell *IWR* readers why their products are superior.”

36. There are other indications that JUSTIS is amongst the market leaders in legal database services. I am inclined to proceed on the basis that the mark does enjoy an enhanced degree of distinctive character through use though, as I have already said, that character also rests in part on the unusual misspelling, or corruption one might say, of the word justice.

Similarity of marks

37. The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by those marks bearing in mind their distinctive and dominant components, *Sabel v Puma* paragraph 23. The matter must be judged through the eyes of the average consumer of the goods/services in question, *Sabel v Puma*, paragraph 23. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant but rarely has the chance to make direct comparisons between marks. Imperfect recollection must, therefore, be allowed for, *Lloyd Schuhfabrik v Klijsen Handel*, paragraph 27.

38. Although there is no limitation on who may subscribe for the opponents' services users are more likely to be academic institutions, libraries, law firms and companies than private individuals. However the common denominator in each case is that the service is relatively expensive, and likely to be selected with care by reasonably informed and discriminating customers. Although oral recommendations should not be discounted, I think it unlikely that purchases will take place to any significant extent without a visual appreciation of the opponents' mark. The same is likely to be true of the applicants' mark.

39. I consider it unlikely that customers for such services will fail to notice that the opponents' mark plays on the word 'justice'. Equally they will be struck by the fact that it is an unusual or corrupted spelling of the word. The applied for mark is made up of relatively non-distinctive elements, namely the word JUSTICE and the (abbreviated) word XPRESS with the X slightly stylised (strictly the mark is also presented in upper and lower case letters – for the precise form

in which the mark has been applied for reference should be made to the representation shown at the start of this decision). It creates a distinctive totality which amounts to more than the sum of the individual components.

40. There is a degree of visual similarity stemming from the first five letters of the respective marks being the same. The overall visual content and impression is quite different. The same is largely true of oral/aural considerations.

41. Conceptually the common element might be said to be the element JUSTIS/JUSTICE but the idea of justice is a relatively weak concept in the context of the service at issue. What is memorable in each case is the misspelling of the opponents' mark and the combination of ideas present in the applicants' mark. The latter would not in my view simply be seen as a speedy (express) version of services supplied under the mark JUSTIS.

42. My overall view is that there is no more than a modest degree of similarity between the marks having regard to what I consider to be the distinctive and dominant components in each case.

Likelihood of confusion

43. The likelihood of confusion must be appreciated globally taking account of all relevant factors (*Sabel v Puma*, paragraph 22). There is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character either per se or because of the use that has been made of it (*Sabel v Puma*, paragraph 24). Mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2) (*Sabel v Puma*, paragraph 26). But, if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the Section (*Canon v MGM*, paragraph 29). Finally in *Raleigh International* [2001] RPC 11 Mr Hobbs QC said:

“Similarities between marks cannot eliminate differences between goods or services; and similarities between goods and services cannot eliminate differences between marks. So the purpose of the assessment under Section 5(2) must be to determine the net effect of the given similarities and differences.”

44. I have concluded that certain of the applicants' services are identical or closely similar to those of the opponents; that the opponents' mark is likely to enjoy an enhanced degree of distinctive character; that this distinctive character relies to an appreciable extent on the unusual spelling of the word; that there is at the most a modest degree of similarity between the marks; and that the average consumer for these services is reasonably sophisticated and discriminating. On the basis of these findings I conclude that there is no likelihood of confusion and that that view is not displaced by making due allowance for imperfect recollection.

Section 5(3)

45. This reads:

“5.-(3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

46. The opponents’ statement of grounds merely indicates that the objection arises

“because the trade mark applied for is identical or similar to the earlier trade mark JUSTIS and the earlier trade mark has a reputation in the UK and the use of the mark JUSTICE XPRESS would take unfair advantage of and be detrimental to the distinctive character and the repute of the earlier trade mark, and registration or use of the trade mark applied for would obstruct and prejudice the legitimate conduct of the Opponent’s business.”

47. No further submissions have been provided which particularise or elaborate on this ground. The applicants have for the most part (and not unreasonably) conducted the case on the basis that they are dealing primarily with objections under Section 5(1) or 5(2). My finding that certain of the applicants’ services (legal services and claims notification services) are arguably not similar to legal database services suggests that the opponents have a basis for an action under Section 5(3). However I am left to speculate on what unfair advantage or detriment they envisage. Given also that I am not persuaded that there is more than a modest degree of similarity between the marks I can see no basis for the opponents succeeding under this head.

Section 5(4)(a)

48. This reads:

“5.-(4) 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) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, 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.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

49. If the applicants’ criticisms of the opponents’ evidence is intended to suggest that the opponents cannot claim the goodwill necessary to underpin an action under Section 5(4)(a) then I respectfully differ from them.

50. I take the view that the opponents have substantiated their claim to a business under the sign JUSTIS sufficient to establish goodwill for the first leg of the passing off test (see *WILD CHILD* Trade Mark [1998] RPC 455). I would take that view even if I was held to be wrong in relation to the effect of the opponents’ use on the acquired distinctive character of their mark for Section 5(2) purposes. The opponents’ use also extends somewhat wider than the legal database services covered by registration No. 1297114 and considered above. In particular the use extends to information sold in other formats, notably CD-ROM, as distinct from on-line. However, I can see no basis for finding that the opponents have established misrepresentation and damage for the purpose of the passing off test when they have been unable to establish a likelihood of confusion for Section 5(2) purposes. This ground also fails and with it the opposition as a whole.

Costs

51. The applicants have been successful in this action and are entitled to an award of costs. Ms McBray’s witness statement makes the following claim:

“I am of the opinion that the history of this opposition, as set out in this Witness Statement, amply demonstrates that, from the outset, the opposition has been of a frivolous and vexatious nature. In the circumstances, I hereby request that the opposition be decided in the Applicant’s favour and that an award of costs equal to the full costs which the Applicant has incurred in the proceedings, plus the estimated loss of revenue which has been occasioned as a result of the Applicant’s inability to launch the intended services under the proposed trade mark for the full period since the opposition was filed on 30 August 2001 to the date of the decision in the proceedings, be made.”

52. These comments were later expanded on in the applicants’ written submissions insofar as the loss of revenue claim is concerned by an indication that “In view of the difficulty in quantifying the latter amount, the Applicant would be prepared to accept an award equal to its professional costs in these proceedings.”

53. The reasons given for the above request can be summarised as follows:

- errors and inaccuracies in the opponents’ statement of case had to be corrected on two occasions (including references to the applicants’ mark);

- the maintenance of grounds based on identical marks;
- the objection under Section 5(3) was not properly particularised in that the opponents failed to identify those services which they considered to be ‘not similar’;
- the opponents’ failure to co-operate in efforts to settle the matter on an amicable basis;
- the opponents’ failure to follow the prescribed Rules in relation to the filing of evidence;
- the delays occasioned by placing reliance on an irrelevant Czech Republic registration compounded by the failure to file an English translation of the certificate relating thereto.

54. Ms McBray characterises the overall effect as resulting in “the grossly protracted nature of proceedings”. In support of the claim for compensatory or near compensatory costs Ms McBray exhibits a chronological summary of the main events in the case supported by copy correspondence and related materials and a costs statement amounting to £4950.

55. The Registrar’s powers in relation to costs are to be found in Section 68 of the Act and Rule 60 of the Trade Marks Rules 2000. The latter reads:

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

56. The Office has also issued a practice notice, TPN 2/2000 covering costs in proceedings before the Comptroller. The notice indicates that costs will generally be awarded from the published scale but expressly recognises that off the scale costs, approaching full compensation, may be awarded to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour.

57. With this guidance in mind I turn to the applicants’ claims and the particular circumstances of this case. The applicants’ cost calculation (of £4950) is expressed in terms of items on the published scale of costs – that is to say costs relating to considering the notice of opposition (including amended versions), filing a counterstatement etc. However it would seem from the combined effect of the comments in Ms McBray’s evidence and the applicants’ written submissions that, factored into the overall sum requested, is an allowance for loss of revenue resulting from the delay occasioned to the applicants’ ability to launch their service. If and to the extent that that is the case I consider that I must reject the request for an off the scale award. Loss of earnings is not a matter on which I am able to adjudicate. Nor, it seems to me is it a matter that can properly be said to arise in the proceedings within the meaning of Rule 60. I draw support for this view from a decision of the Appointed Person under BL O-078-03 in which

a request for compensatory costs based on damages for loss of business was rejected. As the Appointed Person indicated in that case any remedies in this respect must be pursued elsewhere.

58. On the other hand I believe I am entitled to consider other aspects of the applicants' claim on their merits. The first point relates to the corrections to the opponents' statement of case. The original document was filed on 23 August 2001 and was the subject of a 'deficiency notice' by the Registry's Law Section (official letter of 6 September 2001). The opponents were given until 27 September 2001 to address the issues raised and did so by filing an amended statement on 24 September 2001. The opposition was formally served on the applicants on 27 September 2001 with a date set for the counterstatement of 27 December 2001. On 21 December the applicants' attorneys wrote to the Registry suggesting that the opposition was based on a misconception as the opponents had wrongly referred to the applicants' mark. They indicated that they had appraised the opponents of this fact but without success. The Registry's Law Section took note of the applicants' comments and apologised for not bringing the error to the opponents' attention. The opponents were given until 12 February to correct matters and did so on the due date. It seems to me that the opponents thus responded within the deadlines set by the Registry and the overall delay occasioned by the corrections to the statement of case was not excessive. Nevertheless the opponents might have been expected to correct what they call a typographical error in their reference to the applicants' mark rather more speedily than they did.

59. The second matter is the opponents' maintenance of grounds based on identical marks. This is a matter that the opponents were entitled to have tested. I do not think they should be penalised for continuing to run the ground (given also the position taken by the Court of Appeal in *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2002] EWCA Civ 1828 on what may constitute identical marks and the fact that the guidance I have relied on from the ECJ has only recently become available).

60. The third point relates to the objection under Section 5(3). In practice I do not think this was anything more than an alternative ground. It does not appear to have occasioned a significant amount of additional work on the applicants' part. Furthermore the applicants' claim in written submissions that the opponents maintained grounds of opposition which it failed to substantiate is somewhat at odds with Ms McBray's lengthy submissions which go to establish that, in her view, the respective services are not similar. In the event I have found that certain of the applicants' services are not similar to those of the opponents and, to that extent, a Section 5(3) ground was arguable (I have not been asked to consider the effect of *Davidoff & Cie SA and Gofkid Ltd, Case C-292/00*).

61. Fourthly it is said that the opponents failed to cooperate in settlement proposals. There is no obligation on a party to enter into such negotiations. I have no reason to suppose that the opponents' unwillingness to do so arose from anything other than a genuine belief in the merits of their case and a wish to have the matter fully determined.

62. The applicants' fifth and sixth point relates to the opponents' failure to have certain certified copies of trade mark registrations and company details filed in proper form and their reliance on a Czech registration. The documents were filed on 5 June 2002. The Registry brought the deficiency to the opponents' attention by letter dated 11 June 2002 and gave the opponents until

25 June 2002 to deal with the matter. The opponents dealt with the matter by 20 June 2002 save that a translation of the Czech registration certificate was not filed until 5 August 2002 following a reminder from the Registry (by letter dated 5 July 2002). I am not aware that the extension of time for this purpose was objected to by the applicants. It is perhaps unfortunate that time should have been lost in relation to a Czech registration that could play no relevant part in these proceedings but, that point apart, the opponents' actions do not seem to have been unduly protracted.

63. I have felt it necessary to deal with costs in some detail in view of the lengthy evidence and submissions filed by the applicants. In the normal course of events the applicants' success in these proceedings would have resulted in an award based on the published scale of £1600. I propose to increase that sum by £200 to reflect my overall assessment of the various points dealt with above and to do so in a manner that is proportionate in all the circumstances. I am not prepared to make an award for loss of revenue for the reasons already given. Neither am I prepared to characterise the opposition as "of a frivolous and vexatious nature" nor the proceedings as 'grossly protracted' in nature. I, therefore, order the opponents to pay the applicants the sum of £1800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 29 day of April 2003

**M REYNOLDS
for the Registrar
the Comptroller-General**