0-470-12

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 2570766

BY SOCIÉTÉ DES PRODUITS NESTLÉ S.A.

TO REGISTER A TRADE MARK IN CLASS 30

AND

OPPOSITION No. 102008

BY CADBURY UK LTD

DECISION ON COSTS

1. A case management conference ("CMC") was appointed for 25 October 2012 under Rule 62(4) in opposition 102008, which is an opposition brought by Cadbury UK Limited against application 2570766 by Nestle S.A. to register the word mark MY PURPLE BAR in class 30. This was the fourth CMC held on this case. This one was occasioned by a request from Cadbury on 28 September for leave to file certain evidence in reply to Nestle's evidence in chief. The admissibility of some of Nestle's evidence had been the subject of the previous CMC on 11 September. Anticipating further procedural wrangling between the parties, I directed that Cadbury set out what evidence it proposed to file in reply. This was so that appropriate directions could be issued covering the filing of such evidence and bringing these proceedings to a conclusion.

2. The letter of 11 October appointing the CMC on 25 October therefore listed the issues for discussion as being:

i) Cadbury's request to file consumer statements gathered following a witness collection exercise as part of its evidence in reply to Nestle's evidence in chief.

ii) The timetable for filing Cadbury's evidence in reply.

iii) The hearing date.

iv) Any other consequential matters.

3. Skeleton arguments are not required for CMCs, but on the day of the CMC counsel for Cadbury submitted what was, in effect, a skeleton argument. As well as dealing with the matters listed for discussion at the CMC the skeleton also raised two new matters: a request for cross examination of one of Nestle's witnesses and a request for significant disclosure. Although not listed, the first of these matters should have come as no surprise to Nestle and I would have expected counsel for Nestle to have dealt with that matter without notice. The second matter was not expected. The opposition proceedings started in June 2011 and both sides had filed their evidence in chief. There had been three previous CMCs and Cadbury had never mentioned disclosure.

4. It would therefore have been unfair to expect Nestle to deal with the disclosure request without proper notice. Further, dealing with the other matters listed for

discussion was likely to be a waste of time because the outcome of the disclosure request could have affected the outcome of items ii) and iii) above, and the new matter meant that a further CMC was likely to be necessary in any event. I therefore adjourned the CMC and invited Nestle to apply for any wasted costs caused by Cadbury raising the request for disclosure without proper notice.

5. The Registrar normally awards costs on a contribution basis within the limits set out in the published scale. The latest version of the scale is included in Tribunal Practice Notice 4/2007. However, as this Notice indicates, the Registrar has the power[1] to vary the amounts awarded from those indicated in the scale, to cover matters not mentioned in the scale, or to depart from the scale altogether and award reasonable costs on a different basis where the circumstances justify it. The courts have long recognised this discretion[2], provided that it is exercised on judicial principles. The Practice Notice recognises that unreasonable behaviour may justify costs on a compensatory basis. And I accept that actions which cause the other side to waste costs may amount to unreasonable behaviour. Waiting until the day of a CMC scheduled two weeks earlier to put forward a request for disclosure not mentioned in the letter that occasioned the CMC, causing the CMC to be adjourned, falls within this description.

6. Nestle subsequently supplied a bill for counsel's fees of £1750 and an estimate that 75% of that amount had been wasted because counsel would have to prepare again for the reconvened CMC. Nestle also asked for costs covering one hour of its in-house attorney's time that had been wasted briefing counsel for the adjourned CMC.

7. Cadbury objects to the claim arguing that no basis has been provided for the estimate of the proportion of costs that were wasted and no costs should be awarded for Nestle's in-house attorney's time because that was not an external cost.

8. I accept that Nestle has not provided any scientific basis for its estimate that 75% of the costs of the first CMC have been wasted. However, the precise percentage of time wasted will probably not become clear until after preparations for the reconvened CMC are completed (if at all). Both sides have asked for this to be postponed until January in order to permit negotiations. I expect that counsel for Nestle will have to go through the issues again and 75% is not, in my view, an unreasonable estimate of the amount of re-work likely to be required. That amounts to £1312. I do not think that Nestle should be deprived of their wasted attorney's costs just because he is an in-house attorney. However, Nestle has not provided an hourly rate for their attorney, despite having been asked to itemise the wasted costs. I cannot therefore award Nestle the actual costs wasted by its attorney. I can, however, award scale costs, which I assess as £50.

9. I order Cadbury UK Limited to pay Société des Produits Nestlé S.A. £1362 within 21 days of the date of this decision.

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[1] Now under Rule 67 of the Trade Mark Rules 2008
[2] See *Rizla Ltd's Application* [1993] RPC 365

Dated this 27th day of November 2012

Allan James
For the Registrar