

O-158-15

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 2594052

BY CARRS AGRICULTURE LIMITED

TO REGISTER THE TRADE MARK “AMINOMAX GREEN”

IN CLASSES 5 AND 31

AND IN THE MATTER OF OPPOSITION NO. 102972 THERETO

BY EVONIK DEGUSSA GMBH

DECISION

Introduction

1. I am required to deal with the consequences of the withdrawal of an opposed trade mark application which was at the time the subject of an appeal by the Applicant, Carrs Agriculture Limited, shortly after the appeal hearing had taken place. In particular, there is an application by the Opponent, Evonik Degussa GmbH, for costs off the usual scale prescribed by Tribunal Practice Notice (TPN) 2/2000 and updated in TPN 4/2007 (“Costs in proceedings before the Comptroller”).
2. The appeal related to a decision issued on 26 February 2014 by the Registrar’s hearing officer, Mr C J Bowen, in which he upheld the Opponent’s opposition against the Applicant’s UK trade mark application no. 2594052 in respect of the word mark AMINOMAX GREEN. The opposition was based on section 5(2)(b) of the Trade Marks Act 1994 and resulted in a finding of a likelihood of confusion with the Opponent’s earlier International Registration designating the European Union, no. 1041517, in respect of the trade mark AMINORED. No evidence was presented by either side, and the hearing officer decided the case on the papers. He found for the Opponent and ordered the Applicant to pay the Opponent £700 as a contribution towards its costs, pursuant to the scale of fees set out in Tribunal Practice Notice (TPN) 4/2007, such order being stayed pending final determination of the case.

Background and chronology

3. The subsequent relevant chronology is as follows:
 - (1) On 26 March 2014, the Applicant, represented by Urquhart-Dykes & Lord LLP, filed a Form TM55P comprising a Notice of Appeal to the Appointed Person,

with a detailed Statement of Grounds of Appeal, contending that the hearing officer had made several errors in reaching his decision. The Statement of Grounds annexed a number of documents that were relied on in support of the appeal.

- (2) On 28 April 2014, the Opponent's representatives, Elkington and Fife LLP, wrote to the Trade Marks Registry, complaining that the annexes to the Notice of Appeal appeared to comprise evidence, which should only be admitted on appeal in limited circumstances that did not appear to apply (citing *Ladd v Marshall* [1954] EWCA Civ 1), and asking for guidance on how to make a formal objection to the annexes being allowed into the case.
- (3) The case was allocated to me and I informed the parties that I would deal with the question of the admissibility of the material in the annexes at the start of the appeal hearing. This was because to decide on admissibility would inevitably involve an assessment of the potential impact of the new "evidence" (if that was what it was) on the determination of the case; and I thought that it would be more efficient and cost-effective to do this at the same time as the main hearing than to hold a preliminary hearing to consider the new material in isolation.
- (4) The appeal was set down to be heard in November 2014 but, following problems with availability of the parties' representatives, it was rearranged for 8 January 2015.
- (5) On 6 January 2015, Mr Alan Fiddes of Urquhart-Dykes & Lord LLP submitted a folder described as "Skeleton Arguments & Annexes", containing *inter alia*:
 - i) the Applicant's skeleton argument for the hearing;
 - ii) a copy of a Decision of the Fourth Board of Appeal of OHIM in Case R 2182/2013-4, dated 14 October 2014, concerning an opposition by the same Opponent as in this case against the same Applicant's application to register AMINOMAX GREEN as a Community trade mark (CTM no. 10251288). The opposition was brought under Article 8(1)(b) of the Community Trade Mark Regulation (207/2009/EC), being the EU equivalent of section 5(2)(b), and was based on numerous AMINO-prefixed earlier marks of the Opponent, including in particular the EU designation of the AMINORED registration referred to in paragraph 2 above. The opposition had failed at first instance, and the Board of Appeal upheld that decision (i.e. leading to the opposite outcome from that in the present case); and
 - iii) a witness statement dated 5 January 2015 made by Gareth Ian Price, a trade mark attorney employed by Urquhart-Dykes & Lord LLP with responsibility for prosecuting the AMINOMAX GREEN trade mark application in issue, stating that he had carried out the searches and enquiries which resulted in

the compilation of the materials annexed to the Notice of Appeal, and exhibiting those same materials as Exhibits 1 to 5 to the witness statement.

- (6) Counsel for the Opponent, Mr Simon Malynicz, submitted a skeleton argument on the same day.
4. At the beginning of the hearing on 8 January 2015, Mr Fiddes raised the question of whether an appeal had been filed by the Opponent against the Board of Appeal decision mentioned above. He said that he had called OHIM and the General Court the previous day to enquire whether the Opponent had appealed, and there was no record of an appeal, but he believed that this could be because it was still being processed. Mr Malynicz did not know the answer, since he was not instructed beyond the scope of the UK appeal, and he had only just been asked the question on arrival at the hearing. His instructing attorneys, Elkington and Fife LLP, were also not instructed by the Opponent in relation to the OHIM proceedings and so did not know the answer either.
 5. Mr Fiddes went on to suggest that, if an appeal had been filed, the General Court's decision on the question of the likelihood of confusion between the Applicant's AMINOMAX GREEN mark and the Opponent's earlier AMINORED mark was likely to be binding on me, and therefore the UK proceedings should be stayed pending such decision. Mr Malynicz opposed the stay, based on arguments that I do not need to go into here.
 6. I declined to grant an immediate stay, since: (a) nobody in the room knew whether the Board of Appeal decision had in fact been appealed; (b) I doubted whether the General Court would actually decide anything that would affect what I had to decide – being whether the hearing officer had made any material errors in reaching his decision; and (c) everyone was present and ready to go ahead, so there would be virtually no cost saving, even if the Applicant was correct that a General Court decision would be determinative. However, I directed the parties to find out the status of the Board of Appeal decision after the hearing and, if an appeal had been filed, to provide brief written submissions within seven days in support of their respective positions on whether I should grant a stay of the UK appeal pending a decision from the General Court.
 7. The hearing continued with full argument on the substance of the appeal and on the question of the admissibility of the additional material relied on by the Applicant, whether in the form originally annexed to the Grounds of Appeal or as exhibits to Mr Price's witness statement. There was a brief exchange in relation to costs, in the course of which Mr Malynicz stated that these should be on the standard scale.

8. At the end of the hearing, there was further discussion about the need for the Opponent's representatives to find out the status of the Community trade mark proceedings, during which Mr Fiddes said somewhat mysteriously:

“On that point, depending on whether an appeal has or has not been filed, we may take a view as to whether we continue. If [Mr Malynicz] can tell me whether there is an appeal, I can make a decision, if you see what I mean.”

9. On 15 January 2015, I received an email from Mr Fiddes, informing me that the Opponent had not appealed the decision of the Board of Appeal in relation to the Applicant's CTM and therefore the Applicant would not be pursuing its application for a stay.
10. On 28 January 2015, Mr Fiddes sent a letter to the UK IPO, copied to the Opponent, withdrawing the application in issue in this case.
11. On 2 February 2015, Mr Peter Charlton of Elkington and Fife LLP sent me a brief written submission seeking compensatory costs off the usual scale *“on the basis that there was in the end no point in the appeal and it should not have been advanced. The opponent was needlessly troubled in responding to the appeal, including instructing counsel for the hearing.”* He pre-empted a possible argument of the Applicant that it was waiting to see if the Opponent would appeal the Board of Appeal decision, by stating that the first time his side had been asked about the status of the CTM proceedings was a few minutes before the appeal hearing before me, and that there had not been any previous request to suspend the UK appeal pending a possible appeal to the General Court.
12. I wrote to the parties the next day, stating my provisional view that it was unlikely that a case could be made for an off-scale award on the basis submitted, other than in relation to the final preparation and attendance at the hearing itself (as to which I made no comment), and inviting further brief submissions on costs, first from the Opponent, who I directed to provide a figure for and breakdown of the costs requested, and then a response (if any) from the Applicant. I duly received such submissions and figures from the parties, which I summarise below.

The parties' arguments on costs

13. Mr Charlton for the Opponent presented a copy of his firm's invoice to his client in relation to the period from the end of October 2014, when arrangements for the hearing were made and Counsel was instructed, up to and including the appeal hearing in January 2015. He also produced a copy of Mr Malynicz's fee note for drafting the skeleton argument and preparing for and attending the hearing, which was on-charged to the Opponent.

14. The amounts presented and claimed (excluding VAT) are:

Mr Charlton's time (3.4 hrs @ €280/hr)	£ 745 (approx.)
Counsel's fees	<u>£5,750</u>
	<u>£6,495</u>

15. Although Mr Charlton made a general request for off-scale / compensatory costs in relation to the appeal, since he only provided evidence of the costs incurred in relation to the run-up to the appeal hearing, I infer that the Opponent is content with scale costs in relation to the early part of the appeal and only pursues a compensatory award in relation to the period from late October. In any event, I have no data from which to make an off-scale costs award for any earlier period.

16. The points made by Mr Charlton in support of the Opponent's application for costs are essentially that:

- (1) the withdrawal of the application meant that the Opponent had won the case and so it should be given an award of costs in relation to both the first instance proceedings and the appeal;
- (2) the Opponent should not have had to deal with the latter stages in the appeal if the Applicant was simply going to withdraw its application once it knew that the Board of Appeal decision would not be appealed;
- (3) the Applicant had been aware of the Board's decision from 16 October 2014 and yet did not bother to ask the Opponent whether it intended to file an appeal until the morning of the UK appeal hearing;
- (4) nor did the Applicant (until sitting in the hearing) request postponement of the UK appeal hearing pending a decision of the General Court or pending determination of whether the Board's decision had been appealed.

17. On behalf of the Applicant, Mr Fiddes:

- (1) contended that the appeal was plainly one that the Applicant could reasonably have expected to win, given the decisions of OHIM's Opposition Division and Board of Appeal that were contrary to that of the hearing officer in this case;
- (2) drew attention to the Opponent's agreement at the hearing that scale costs were appropriate;
- (3) asserted that, if the Opponent had taken the simple step of informing the Applicant that it did not intend to appeal the Board of Appeal decision, thus allowing the CTM to proceed to registration, the Applicant could have taken the decision not to pursue the UK appeal much earlier and both sides could thus have avoided the costs relating to the hearing;

- (4) submitted that it was in fact the Applicant who should be awarded costs, due to the Opponent's failure to copy in the Applicant on its correspondence with OHIM or the Court or to disclose its plans at the very least by the expiry of the period for appealing the Board's decision, which was 16 December 2014.
18. Mr Charlton replied that the Opponent could not possibly have known that the Applicant would abandon its UK trade mark application if it succeeded in registering a CTM for the same mark. He also stated that there was no correspondence with OHIM or the General Court following receipt of the Board's decision which could have been copied to the Applicant.
19. Both parties referred to *Rizla Ltd's Application* [1993] RPC 365 as authority for the proposition that I have discretion to award off-scale costs, which I should exercise judicially. Each submitted that an appropriately judicial approach favoured their respective client.

Discussion

20. As a result of the Applicant's withdrawal of its trade mark application, the opposition no longer has a purpose and the appeal against the first instance decision in favour of the Opponent has effectively been abandoned by the Applicant.
21. On that basis, I see no reason to disturb the first instance decision, including the first instance costs award against the Applicant, save in one respect: I propose to vary the time for payment of costs from seven days to 14 days, particularly given that there will be further costs for the Applicant to pay in relation to the appeal.
22. Turning to the appeal, so far as the early stages are concerned, I have no data to rely on for making an award off the published scale, and the Opponent's arguments do not appear to seek to justify an off-scale award prior to the end of October 2014.
23. The Opponent had to consider a lengthy Statement of Grounds of Appeal, along with over 150 pages of annexed documentation, and to look into the basis on which it might be able to object to the annexes, both as a matter of law and as a practical matter. Although the Opponent did not file a Respondent's Notice, it did respond to the Grounds of Appeal by writing to the Registry about the annexes, which was a reasonable step in the circumstances. I will award £500 by way of scale costs for this early phase of the appeal, which will no doubt be considerably less than the amount that was actually incurred by the Opponent.
24. Turning to the later phase, from the end of October until the hearing, which also happens to be the period after the Board of Appeal had issued its decision in the parallel CTM proceedings, it is clear that I do have a very wide discretion to award costs. While the judgment of Anthony Watson QC sitting as a Deputy Judge in *Rizla* referred to this discretion as being "*with no fetter other than the overriding one that*

he must act judicially”, I must now also take into account the updated version of the Civil Procedure Rules, which states in Part 1, rule 1.1 the overriding objective as being “*of enabling the court to deal with cases justly and at proportionate cost*” (emphasis added). The additional text militates in favour of sticking to the scale of costs set out in TPN 4/2007 in straightforward appeals to the Appointed Person. However, proportionality works both ways, and it may be appropriate to make slightly higher costs awards in cases which involve an unusually large amount of work, or particularly complex or abnormal issues, even where there is no identifiable abuse or ‘bad behaviour’ of the paying party which would justify a compensatory award.

25. I am encouraged in this view by the fact that (a) the current scale of costs was laid down in 2007, since when actual costs of proceedings before the Appointed Person have undoubtedly increased significantly, and that (b) TPN 4/2007 does not actually set out a scale of costs that can properly be mapped onto the appeal process (as it tracks a normal first instance case), and so there has always been some flexibility in the approach taken by the Appointed Person.
26. Dealing first with the Opponent’s submissions relating to the Applicant’s withdrawal of its application, it seems to me that these are based on the premise that, as soon as the Applicant knew that it would have CTM protection for the mark AMINOMAX GREEN, it was inevitably going to withdraw the UK application. While it is true that the Applicant decided to do this about a week after it learnt that the Board of Appeal decision had not been appealed, there is no evidence as to when or why that decision was made. It is not the case that ownership of a CTM inevitably negates the desirability of owning a UK registration for the same trade mark. There are thousands (probably tens of thousands) of examples of parallel UK and EU protection of the same mark for the same goods and services, which could be for all sorts of reasons, such as concerns about central attack on the CTM, or the desire to enforce nationally without jeopardising an EU-wide registration.
27. There is no evidence, or even assertion by the Opponent, that the Applicant’s appeal was in any way abusive or a ploy designed to gain an unrelated advantage. Although the contrary OHIM decisions could not be said to be determinative of the outcome of the appeal, there is no doubt that they would have given the Applicant a reasonable hope that it might have been able to persuade me to overturn the hearing officer’s decision. Further, the fact that this case was part of a wider dispute may have given all sorts of legitimate reasons for the Applicant to continue to fight the appeal, even if the CTM was going to be granted. There is no evidence that the Applicant’s continuance of the appeal, despite its success before OHIM, was anything but genuine.

28. It is true that the Applicant could have thought ahead, decided that it would drop the UK appeal if the Board of Appeal decision was not appealed, and contacted the Opponent to enquire about its intentions. However, there is no knowing whether the Opponent would have disclosed its plans to the Applicant in response to such an approach, or indeed whether it had made a firm decision not to appeal before mid-December 2014.
29. The alternative suggestion that the Applicant could have applied for a stay of the UK appeal pending the outcome of the CTM proceedings (whether by an appeal not being filed or by a General Court decision), is unattractive, not least because I remain far from convinced that the General Court's decision would be binding in relation to any points of importance in this appeal. Such a request would only be likely to have been granted if it was coupled with an undertaking from the Applicant to abandon the appeal and withdraw the UK application if the CTM opposition failed. There are all sorts of reasons why the Applicant would not have wanted to give such an undertaking at a stage when the outcome of both sets of proceedings was still unknown.
30. Indeed, there is some force in the suggestion by Mr Fiddes that the Opponent could have volunteered its intention not to appeal the CTM decision and invited the Applicant to withdraw the UK appeal since the AMINOMAX GREEN mark would be protected in the UK by virtue of the CTM. But, as mentioned above, there is no evidence of precisely when that decision was taken; and the Opponent would not have known how keen the Applicant was to obtain a UK trade mark in any event, regardless of parallel CTM protection.
31. In summary, I do not believe that any of the behaviour complained about by the parties can be said to have been unreasonable or to have resulted in costs being wasted. Although in an ideal scenario the parties would have reached an agreement prior to the hearing to the effect that, since the Opponent had not appealed the Board of Appeal decision, the Applicant had achieved the protection that it required for AMINOMAX GREEN and could abandon the UK appeal, I believe that they share any blame for not having done so. There is therefore no basis for making an exceptional compensatory costs award in favour of the Opponent or any form of costs award in favour of the Applicant.
32. Having said that, as a result of the Applicant's withdrawal of its mark, the Opponent is the overall winner, and is entitled to receive a contribution to its costs in respect of the latter stages of the appeal. I believe that the appropriate contribution should be increased slightly above the norm because of the additional work that was caused by the relatively unusual step taken by the Applicant of trying to introduce new material at the appeal stage.

33. The new material comprised:

- (1) the results of a Google search for the word “amino”;
- (2) the results of on-line searches for “amino acids” on the websites at www.hollandandbarrett.com and www.tesco.com;
- (3) an extract from the Collins Dictionary in relation to the meaning of “amino”;
- (4) printouts from the UK IPO and OHIM databases showing registrations of trade marks with the prefix “AMINO-”; and
- (5) further printouts of the details of such trade mark registrations that include the term “amino acids” in the specification of goods.

34. While it is arguable that I could have taken judicial notice of the dictionary meaning of “amino”, and that trade mark register printouts are on the public record and do not need to be formally adduced in evidence to be taken into account, I am satisfied that the majority of this material constituted evidence which was not available to the hearing officer at first instance and which needed to satisfy the special tests laid down in *Ladd v Marshall* (referred to above) and *Hunt-Wesson Inc’s Trade Mark Application (SWISS MISS)* [1996] RPC 233 in relation to new evidence on appeal. Regardless of whether they would have passed those tests (which I indicated at the hearing might be an uphill struggle for the Applicant), they created additional work for the Opponent’s representatives and Counsel, Mr Malynicz, who dedicated nine pages of his 15 page skeleton argument to the additional material, and a considerable proportion of the hearing was devoted to the topic. Both the written and oral argument would have been much shorter without it.

35. In conclusion, I would allow £500 of the £745 claimed in respect of Mr Charlton’s time in relation to the hearing preparation and attendance, and £3,000 of the £5,750 claimed in respect of Counsel’s fees. Added to the £500 awarded in respect of the early stage of the case (see paragraph 23 above), this gives a total award of £4,000 in respect of the appeal, payable by the Applicant to the Opponent. This is at the high end of, or possibly slightly above, the published scale, but I believe that it is well within my discretion to order this, taking all of the circumstances of the case into account, and bearing in mind the overriding objective.

Conclusion

36. In summary:

- (1) the first instance decision stands, save that the time for the Applicant to pay the £700 of costs awarded to the Opponent is extended to 14 days from notification of this decision;

- (2) the Applicant's withdrawal of UK trade mark application no. 2594052 may be recorded on the register;
- (3) the Applicant must pay the Opponent the sum of £4,000 towards the costs of the appeal, also within 14 days of notification.

ANNA CARBONI

31 March 2015

The Applicant (Appellant) was represented by Mr Alan Fiddes of Urquhart-Dykes & Lord LLP throughout.

The Opponent (Respondent) was represented by Mr Simon Malynicz (at the appeal hearing) and Mr Peter Charlton of Elkington and Fife LLP (in relation to the consequences of the withdrawal of the application in issue).