

TRADE MARKS ACT 1994

IN THE MATTER OF:

TRADE MARK APPLICATION No. 2497715

IN THE NAME OF GURU JOSH PROJECT

AND OPPOSITION No. 98889

IN THE NAME OF PAUL WALDEN

DECISION ON COSTS

1. Paul Walden's opposition under No. 98889 to trade mark application No. 2497715 filed by Darren Bailie (using the name 'Guru Josh Project') succeeded in the Trade Marks Registry for the reasons given in a written decision issued by the Registrar's Hearing Officer, Mr. Mark Bryant, under reference BL O-125-11 on 11 April 2011.

2. Darren Bailie appealed (using the name 'Guru Josh Project') against the rejection of the trade mark application he had filed on 16 September 2008. His appeal was dismissed for the reasons given in my Decision of 2 August 2012 (BL O-308-12). In that Decision at paragraph [25] I gave directions for the filing of written representations in relation to the costs of the unsuccessful appeal.

3. In written representations filed on behalf of Paul Walden on 13 August 2012, he sought an award of costs by reference to an itemised schedule of work and expenditure covered by invoices totalling £4,942.20. I note that although Paul Walden was

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represented by Counsel at the hearing of the appeal, there is no itemisation for Counsel's fees in the schedule submitted for consideration in connection with the claim for costs made on his behalf.

4. In written representations filed on behalf of Mr. Bailie on 3 September 2012 he contended, with reference to certain correspondence between the parties that had variously been written on an open basis or 'without prejudice save as to costs', that:

The Respondent behaved erratically throughout and persisted in these proceedings when it was clear that they were unnecessary as there was no threat to his use of GURU JOSH. No serious attempt was made to engage with these proposals at any time.

This is exactly the type of conduct that attracts a sanction in costs. The opposition to GURU JOSH was only filed to prevent threatened proceedings in the context of a wider dispute initiated by Mr. Walden referred to in Darren Bailie's witness statement at paragraph 13.

The appropriate order in this matter should be that the costs of the proceedings be no order to costs of the proceedings be no order to costs and to let the costs fall where they lie.

In the alternative, on the question of quantum, there has been no suggestion at either this instance or below that costs should be awarded off-scale. We note that the time sheets submitted by Mr. Walden also refer to other matters.

5. The correspondence brought forward for consideration in that connection repeatedly called upon Paul Walden to accept the thesis underlying the following assertions:

'The original GJP TM application was in substance made on behalf of everyone in the group - on behalf of the partnership as a whole' and 'I'll sign whatever documents are needed to

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show the application is made on behalf of the partnership as a whole and that we all have equal rights in the name'. (3 February 2009)

'Paul ... if you have registered our joint business Guru Josh Project in your own name this is a serious issue and will be dealt with accordingly.' (9 February 2009)

'Maybe its not what Paul 100% wants, but its certainly better than the alternative and there are business realities in life we all must work around. Pretty soon he'd probably be out of the BCB deal anyway. On top of that there's a mountain of evidence of Paul's bad faith so he has no credibility if it does go to court. In any event, his legal arguments amount to nothing' (16 October 2009)

'The TM solution my clients want is that Paul won't interfere with GJP as a jointly owned mark and my clients won't interfere with the GJ mark (if its not being used to block GJP)' (26 November 2009)

'What my clients propose as a settlement is this: (a) it is accepted by Paul, Darren and Anders that the Guru Josh Project name is a partnership asset and they will agree that it will be held by the partnership and that no changes can be made to the partnership ...' (29 September 2011)

6. In relation to the written representations filed on behalf of Darren Bailie, it was maintained on behalf of Paul Walden in reply on 14 September 2012 that: *'To submit such a response as he did clearly demonstrates that he still has not fully grasped what has transpired nor the serious nature of the transgressions he has committed ...'.*

7. Section 68(1) of the Trade Marks Act 1994 establishes that:

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

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- (b) to direct how and by what parties they are to be paid.

Rule 67 of the Trade Marks Rules 2008 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 by what parties they are to be paid.

8. The long established practice in Registry proceedings is to require payment of a contribution to the costs of a successful party, with the amount of the contribution being determined by reference to published scale figures. The scale figures are treated as norms to be applied or departed from with greater or lesser willingness according to the nature and circumstances of the case. The Appointed Persons normally draw upon this approach when awarding costs in relation to appeals brought under Section 76 of the 1994 Act.

9. The use of scale figures in this way makes it possible for the decision taker to assess costs without investigating whether or why there are: (a) disparities between the levels of costs incurred by the parties to the proceedings in hand; or (b) disparities between the levels of costs in those proceedings and the levels of costs incurred by the parties to other proceedings of the same or similar nature. This approach to the assessment of costs has been retained for the reasons identified in Tribunal Practice Notice TPN 2/2000, supplemented by Tribunal Practice Notices TPN 4/2007 and TPN 6/2008.

10. It is, as I have indicated, open to the decision taker to depart from the published scale figures in the exercise of the power to award such costs as (s)he may consider

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reasonable under Rule 67. In that connection Tribunal Practice Note TPN 4/2007 provides the following guidance:

Off scale costs

5. TPN 2/2000 recognises that it is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour. Whilst TPN 2/2000 provides some examples of unreasonable behaviour, which could lead to an off scale award of costs, it acknowledges that it would be impossible to indicate all the circumstances in which a Hearing Officer could or should depart from the published scale of costs. The overriding factor was and remains that the Hearing Officer should act judicially in all the facts of a case. It is worth clarifying that just because a party has lost, this in itself is not indicative of unreasonable behaviour.

6. TPN 2/2000 gives no guidance as to the basis on which the amount would be assessed to deal proportionately with unreasonable behaviour. In several cases since the publication of TPN 2/2000 Hearing Officers have stated that the amount should be commensurate with the extra expenditure a party has incurred as the result of unreasonable behaviour on the part of the other side. This “extra costs” principle is one which Hearing Officers will take into account in assessing costs in the face of unreasonable behaviour.

7. Any claim for cost approaching full compensation or for “extra costs” will need to be supported by a bill itemising the actual costs incurred.

8. Depending on the circumstances the Comptroller may also award costs below the minimum indicated by the standard scale. For example, the Comptroller will not normally award costs which appear to him to exceed the reasonable costs incurred by a party.

11. It should at this point be emphasised that an award of costs must reflect the effort and expenditure to which it relates, without inflation for the purpose of imposing a

financial penalty by way of punishment for misbehaviour on the part of the paying party. It is certainly not possible to award compensation to the receiving party for the general economic effects of the paying party's decision to pursue the proceedings in question: Gregory v. Portsmouth City Council [2000] 2 WLR 306 (HL); Land Securities Plc v. Fladgate Fielder (A firm) [2009] EWCA Civ. 1402 (18 December 2009).

12. In paragraphs [11] to [14] of my Decision on the substantive appeal, I summarised the position adopted in the Counterstatement filed on the instructions of Darren Bailie in the name of 'Guru Josh Project'. I went on to say in paragraph [15] that the position adopted in the Counterstatement seemed to me to have added insult to injury with regard to the filing of the trade mark application in issue. In the light of the correspondence I have now been shown (see paragraphs [4] and [5] above) I feel bound to say that the present proceedings appear to me to have been conducted from the filing of the disputed trade mark application, through the unsuccessfully defended opposition, on to the end of the rejected appeal and into the present determination of costs with the aim of subordinating Paul Walden's interests in and to the name **GURU JOSH** to the interests of his licensees, which Darren Bailie sought to elevate to the level of joint proprietorship by means of his invalid application to register the name **GURU JOSH PROJECT**.

13. However, the decisions delivered at first instance and on appeal establish that Darren Bailie had and has no right to behave towards Paul Walden in that way and I consider that Paul Walden is clearly entitled to an award of costs in an amount commensurate with the effort and expenditure which went into his defence of the Appeal. I also think it would be reasonable to recognise that he was forced to defend himself

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against an appeal of no real substance in relation to the grounds upon which it was brought. I note that there is an objection to the claim for £4,942.20 on the basis that *'the time sheets submitted by Mr. Walden also refer to other matters'* (see paragraph [4] above). I also note that no criticisms have been made of the figures at which the itemised tasks have been costed in the schedule put forward on behalf of Mr. Walden. I should add that I do not accept that the schedule can be dismissed from consideration on the basis that *'there has been no suggestion at either this instance or below that costs should be awarded off-scale'*. I must determine the question of costs under Rules 67 and 73(4) of the 2008 Rules on the basis of the information and materials before me.

14. There are indications in the schedule of costs that it has been prepared and presented without distinguishing between costs attributable to the defence of Darren Bailie's appeal and costs attributable to the defence of the opposition proceedings at OHIM which I referred to in paragraph [15] of my Decision of 2 August 2012. I have no power to award costs under Rules 67 and 73(4) in respect of the OHIM proceedings and must therefore reduce the figure of £4,942.20 to the extent that I consider necessary to reflect that limitation on the exercise of my power under those Rules.

15. Doing the best I can on the basis of the information and materials before me, and approaching the matter from the perspective I have identified in paragraphs [12] and [13] above, I think it would be reasonable to award Paul Walden the sum of £2,850 as a contribution towards his costs of the appeal.

16. Darren Bailie is directed to pay £2,850 to Paul Walden as a contribution towards his costs of the unsuccessful appeal. That sum is to be paid within 21 days of the date of

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this Decision. It is payable in addition to the sum of £1,550 awarded by the Hearing Officer in respect of the proceedings in the Registry.

Geoffrey Hobbs Q.C.

5 November 2012

Written representations were filed on behalf of Paul Walden by his manager, Adrian Weston-Jones.

Written representations were filed on behalf of Darren Bailie by David Moore of Jensen & Son.