O-365-16

TRADE MARKS ACT 1994

IN THE MATTER OF:

OPPOSITION No. 600000262 IN THE NAME OF CURRENT LTD

TO TRADE MARK APPLICATION No. 3105614 IN THE NAME OF NATUREDOC LTD

DECISION

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1. Trade Mark Application No. 3105614 filed in the name of Naturedoc Ltd (**'the Applicant'**) was published for the purposes of opposition on 15 May 2015. On 18 May 2015, Current Ltd (**'the Opponent'**) filed a Notice of threatened opposition on Form TM7A with the result that the period for filing a Notice and Grounds of Opposition to the Trade Mark Application was automatically extended over until 17 August 2015 in accordance with the provisions of Rule 17(3) of the Trade Marks Rules 2008.

2. In parallel the Opponent wrote to the Applicant on 18 May 2015 requesting withdrawal of the Trade Mark Application by 5 June 2015. The Applicant responded on 29 May 2015 declining to withdraw and raising a request for information. There was then an exchange of correspondence between the Opponent and the Trade Marks Registry. On 4 June 2015, Mr. Mukul Sethi (Managing Director of the Opponent) sent an email to the Registry asking as follows:

> if I file a TM7A: 'notice of threatened opposition' and also give the applicant about three weeks notice to respond before I file opposition, is this sufficient time in order for me to recover my costs?
>
> Because I wrote directly to the applicant and also cc'd to the agent, is that okay or should it have gone directly to agent and cc'd to the applicant?

The Registry responded on 5 June 2015 stating as follows:

> There is an initial two month opposition period which begins immediately after the date the trade mark is advertised in the trade marks journal. You can extend this period by a further month by filing an electronic form TM7A a 'Notice of threatened opposition' within the initial two months, beginning immediately after the advert date.
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> Filing a TM7A does not commit you to opposing an application. If you file a TM7A, you will have any time within the extended opposition period to formally oppose an application by filing TM7A 'Notice of opposition' with the appropriate fee. It is the opponents decisions when they feel is most appropriate to file a TM7, provided it is within the opposition period.
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> When a 'Notice of threatened opposition' is filed against an application if there is a representative listed on the application, we will notify them about any opposition filed.

3. On 8 June 2015, the Opponent filed a Form TM7F initiating 'Fast Track' opposition proceedings under Rule 17A of the 2008 Rules. Question 13 of the prescribed form provided space for '*further information about why you consider there is a likelihood of confusion and e.g. why you consider the respective marks or goods and/or services to be similar'*. Mr. Sethi wrote:

> "Please see attached 12 pages "Response from Opponent". N.B. There is also 6 pages copy of a letter dated 18 May

> 2015 from Current Limited (the opponent) to NatureDoc Ltd (the applicant) giving three weeks notice to withdraw that trademark application, number UK 00003105614 by 5 June 2015. Regarding this, the opponent also enquired from IPO Customer Services/Information Dept.

The 12-page attachment set out Mr Sethi's detailed comments on the characteristics of the word marks in issue.

4. The opposed Trade Mark Application was withdrawn on 16 September 2015, at which point the Registry informed the parties that it considered the proceedings to be closed. Mr. Sethi wrote to the Registry on 23 September 2015 seeking an award of costs in favour of the Opponent on the following basis:

> Due to Applicant's lack of cooperation Current Limited had to complete significant tasks costing a number of hours and opportunity costs.
>
> The costs of these tasks amounts to £3000 and Current Limited requests the IPO Comptroller for an award of costs against the Applicant given that the Applicant has withdrawn the trademark application.

The Registrar's preliminary view, set out in an official letter of 29 October 2015, was that the Opponent should receive an award of £200, made up of £100 to cover the preparation of the Form TM7F and £100 to cover the statutory filing fee.

5. Mr. Sethi was not willing to accept an award of that amount. He requested a hearing at which to pursue the matter on behalf of the Opponent. On 13 November 2015 he wrote to the Registry asking for the telephone hearing which had been set for 24 November 2015 to be brought forward 'to next week'. In his 'submission and skeleton

arguments' on behalf of the Opponent, he referred to the Registry's Tribunal Practice Note (TPN 4/2007) relating to costs awards and maintained as follows:

> This TPN makes reference to TPN 2/2000 awards based on standard published scale with provision to award cost for unreasonable behaviour. The unreasonable behaviour was described in my email dated September 23 2015.
>
> My Question 13 response took time/a number of days to prepare because of the research, there was complexity to the issues and for relevance. Current Limited therefore seek the top end of the scale, £600, £100 statutory fee, the unreasonable behaviour issue to be considered for putting a value to it based on other cases and TPN 4/2007 scale is 2007 prices Current Limited would like an inflation adjusted figure for the award (excluding the £100 statutory fee) from ether of these inflation calculators online:
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> http://www.thisismoney.co.uk/money/bills/article-1633409/Historic-inflation-calculator-value-money-changed-1900.html
>
> http://www.bankofengland.co.uk/education/Pages/resources/inflationtools/calculator/flash/default.aspx
>
> http://www.measuringworth.com/ppoweruk/

6. The telephone hearing set for 24 November 2015 was re-scheduled for 1 December 2015 in order to accommodate Mr. Sethi's travelling arrangements. On 26 November 2015, he wrote to the Registry asking for the re-scheduled hearing to be deferred:

> I have a dispersal of ashes from cremation travel journey overseas to India, and I will not be available for the schedule telephone hearing on December 1 2015. Please therefore rebook the hearing to after January 15 2016.

The Registry responded on 30 November 2015:

> Given the reasons you provided in your e-mail, I am prepared to vacate the hearing scheduled for tomorrow morning. Whilst the applicant is not attending the hearing, it is, however, entitled to a determination on costs in a reasonable timeframe; in my view, a further six week delay is not reasonable.
>
> Consequently, before re-booking the hearing, I would like you to consider whether: (i) you will be available before the date mentioned, (ii) someone else could represent the opponent at the hearing and (iii) a determination could be made on the basis of the papers already on file i.e. your letter of 23 September, the preliminary view of 29 October, the applicant's e-mail of 6 November and your e-mail of 13 November.
>
> I would like a response to the above by close of business on 2 December. I will then review your comments and, if necessary, a new hearing date will be arranged.

Mr. Sethi replied on 1 December 2015:

> Current Limited understands the competing demands placed on the UK IPO.
>
> Current Limited therefore opts for the IPO typed option number (iii) and interprets this as a proxy representation in a mild form because the proxy is not to a third party as per IPO typed option (ii) and is instead to the IPO/IPO trade marks hearing officer, C J Bowen.

7. The Registrar's Hearing Officer, Mr. C J Bowen, then proceeded to issue a decision in writing dated 10 December 2015 in which he ordered the Applicant to pay £200 to the Opponent as a contribution towards its costs of the proceedings in the Registry. He addressed the Opponent's request for an award of costs to reflect unreasonable behaviour on the part of the Applicant (see the Opponent's contentions quoted in paragraphs 4 and 5 above) in paragraphs 9 to 13 of his Decision. Having noted

in paragraph 10 that: *'The crux of the opponent's case appears to be based upon an allegation that the applicant acted unreasonably in asking for clarification on a licensing point and that this was a delaying tactic'*, he went on to conclude in paragraph 13 that: *'the opponent allowed the applicant an inappropriately short period of time in which to consider its position; as a consequence, I see nothing unreasonable in the applicant's behaviour'*.

8. He then turned in paragraphs 13 to 15 of his Decision to consider whether the Registrar's discretion should be exercised so as to reduce or deny an award of costs on the basis that the Opponent had not allowed a reasonable period of time to elapse between the filing of its Form TM7A and the filing of its subsequent Form TM7F or had acted unreasonably in refusing to answer the Applicant's request for information. He decided not to exercise his discretion adversely to the Opponent on either basis. He then (and therefore) approached the Opponent's request for an award of costs positively and in an orthodox manner:

> 15. As the applicant accepts that the opponent is entitled to an award of costs, I only need to consider whether the quantum awarded was appropriate. As the £100 awarded in relation to the statutory fee is correct (and is not challenged in any case), the only item I need to review is the £100 awarded in relation to the preparation of the Notice of Opposition. In this regard, I remind myself that in your e-mail of 13 November 2015 you stated:
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> > "My question 13 response took time/a number of days to prepare because of the research, there was complexity to the issues and for relevance. [The opponent] therefore seek the top end of the opponent] therefore seek the top end of the scale, £600…"

> 16. TPN 4 of 2007 indicates that in relation to "Preparing a statement and considering the other side's statement" an award from £200 to £600 depending on the nature of the statements, for example, their complexity and relevance" is appropriate. In approaching the award, I note that the opponent has not been professionally represented nor has it been necessary for it to consider a counterstatement. Whilst I accept that your response to question 13 of the Form TM7F consists of twelve pages, a good deal of the commentary provided is, in my view, either repetitive or of little relevance.
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> 17. In reaching a conclusion I remind myself of: (i) the length of time allowed by the opponent to the applicant to consider its position prior to the filing of the Form TM7F, (ii) the relevance of much of the information contained in paragraph 13 of the opponent's Notice of Opposition, (iii) the unrepresented nature of the opponent and (iv) the fact that the opponent was not required to consider a counterstatement. Weighing all those factors, an award at the bottom end of the scale (reduced to reflect the fact that the opponent was unrepresented) was, in my view, correct and an award of £200 to the opponent was appropriate. Although in your submissions you ask the Tribunal to consider "an inflation adjusted figure" in relation to the award, as TPN 4 of 2007 represents the Tribunal's current scale, it is that scale that I must apply.

9. The Opponent now appeals to an Appointed Person under Section 76 of the Trade Marks Act 1994. It does so on various grounds which I shall for clarity consider in the sequence which follows.

10. It is contended that when the Registry acceded to Mr. Sethi's short notice request for the 1 December telephone hearing to be vacated it behaved improperly by doing so on 30 November 2-015 in an email asking him to consider 3 options as to the way forward and to provide a response by close of business on 2 December 2015. In the Grounds of Appeal it is asserted that the Hearing Officer's refusal to delay the hearing until after 15 January 2016 was '*inhuman*'. It is said that the request for a response within about 48

hours '*was also inhuman*' and '*I realized there was undue influence being applied by him*' such that '*I really had no choice and thus he forced me into a corner against my free will*'.

11. At the hearing before me Mr. Sethi further submitted that the Hearing Officer's Decision was procedurally irregular for non-compliance with the requirement of Rule 63 (Decisions of registrar to be taken after hearing), for failure to propose or direct the use of procedures for the taking of evidence in other countries in liaison with the Foreign and Commonwealth Office (International Legal Matters Unit, Consular Division) and for breach of Article 6 ECHR (Right to a fair trial).

12. It appears to me that the correspondence I have quoted in paragraph 6 above can and should be taken at face value. Mr. Sethi's father had passed away in March 2015. The scattering of his ashes in the River Yamuna was evidently not raised prior to 26 November 2015 as a matter affecting the viability of either of the two telephone hearing dates set by the Registry (26 October 2015 and 1 December 2015). The Hearing officer was entitled: (1) to adopt the position that the hearing should not be further delayed for as long as Mr. Sethi was envisaging; and (2) to ask Mr. Sethi to revert to him promptly (by close of business on 2 December 2015) with a response to the options he had been asked to consider for the purpose of enabling the matter to be dealt with proportionately and expeditiously. Mr. Sethi made his choice. He explicitly agreed to the Hearing Officer proceeding in accordance with option (iii). I do not accept that there was any procedural irregularity or breach of any right to a fair hearing in connection with the determination of the Opponent's request for costs, made with its agreement in the manner foreshadowed by option (iii).

13. It is further contended that the Hearing Officer exercised his discretion adversely to the Opponent upon the premise that it had not allowed the Applicant a reasonable period of time to consider its position between the date of filing the Form TM7A (18 May 2015) and the date of filing the Form TM7F (8 June 2015). That is said to have happened '*in spite of the IPO saying it was not unreasonable*' in its email of 5 June 2015 for the Opponent to proceed with the Opposition as it did within that timeframe.

14. I see no substance in this contention. The Registry's email of 5 June 2015 (quoted in paragraph 2 above) did not say that it was or would be reasonable for the Opponent to file a Form TM7F as quickly as it did after filing its Form TM7A. The writer of that email cannot realistically be taken to have been pronouncing upon the reasonableness of the Opponent's behaviour towards the Applicant in the context of its threatened Opposition. I am not persuaded otherwise by the oral submissions and written material relating to the doctrine of 'open government' put forward by Mr. Sethi on behalf of the Opponent at the hearing before me. The Opponent's contention is in any event misconcerned. The Hearing Officer asked himself whether an award of costs should be reduced or denied on the basis that '*the opponent allowed the applicant an inappropriately short period of time in which to consider its position*'. As noted in paragraph 8 above, he actually decided not to do what the Opponent accuses him of doing. He proceeded instead to determine '*whether the quantum awarded was appropriate*'.

15. It is further contended that the Hearing Officer acted in breach of ECHR Article 1, Protocol 1 by adopting figures from the guidelines in the Registry's Tribunal Practice Note (TPN 4/2007) without indexing them for inflation. This contention was developed in oral argument by reference to a paper by Dr. Coban of the University of Kirikkale,

Turkey: Inflation and Human Rights: Protection of property Rights against Inflation under the European Convention on Human Rights Essex Human Rights Review Vol. 2, No. 1 pp.62 to 78. The thrust of the paper, as summarised in the Abstract, is that while the Convention organs were too timid in their early years to find a violation of property rights relating to the effect of inflation and although there are still few situations in which the ECtHR has taken the impact of inflation fully into account, the Court has provided some shelter against the effect of inflation albeit without establishing clear criteria for evaluating the effect of inflation on property rights. The submission with regard to the figure of £100 awarded by the Hearing Officer for the preparation of the Opponent's Form TM7F was (Transcript p.13, line 19 to p.14, line 1)."

> THE APPELLANT: He should have awarded me £100.00 plus inflation adjustment because the costs awarded were from 2007.
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> THE APPOINTED PERSON: What would that be, do you say?
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> THE APPELLANT: I am sorry, sir, I do not have that information right on hand with me, but based on those web-based online calculators, one can simply put a figure of £100.00 as of 2007 and whatever figure comes in it, that is what should have been offered.

16. There is, in my view, no substance in this contention. The Opponent's request for an award of costs called for the exercise by the Registrar of statutory powers which do not involve (or serve as mechanism for payment of compensation for) state interference with the right to peaceful enjoyment of possessions constitutionally protected by ECHR Article 1, Protocol 1.

17. 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 –
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> (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.

18. 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 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. The award of costs is required to reflect the effort and expenditure to which it relates without inflation for the purpose of imposing a financial penalty by way of punishment on the part of the paying party.

19. It is further contended that the Hearing Officer's Decision amounted to the exercise of judicial discretion in a manner which rendered it liable to be reversed and set aside on appeal in accordance with the approach identified by Lord Fraser of Tullybelton in G v. G. (Minors: Custody Appeal) [1985] 1 WLR 647 at pp.651-652. The contours of that approach are apparent from the following passage at p.652:

> Certainly it would not be useful to enquire whether different shades of meaning are intended to be conveyed by words such as "blatant error" used by the President in the present case and words such as "clearly wrong", "plainly wrong" or simply "wrong" used by other judges in other cases. All these various expressions were used in order to emphasise the point that the appellate court should only interfere when they consider that the judge of first instance has not merely preferred an imperfect solution which is different from an alternative imperfect solution which the Court of Appeal might or would have adopted, but has exceeded the generous ambit within which a reasonable disagreement is possible. The principle was stated in this court by my noble and learned friend Lord Scarman in B. v. W. (Wardship; appeal) [1979] 1 W.L.R. 1041 where, after mentioning the course open to the Court of Appeal if it was minded to reverse or vary a custody order he said, at p.1055;
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> "But at the end of the day the court may not intervene unless it is satisfied either that the judge exercised his discretion upon a wrong principle or that, the judge's discretion being so plainly wrong, he must have exercised his discretion wrongly".

It is clear to me that the Opponent's Appeal cannot succeed on applying that approach to the Hearing Officer's Decision in the present case.

20. The Hearing Officer decided at paragraph [16] of his Decision that a good deal of the commentary provided by the Opponent in response to Question 13 of the Form TM7F was '*either repetitive or of little relevant*'. I agree with that assessment. And as I

indicated to Mr. Sethi at the hearing (Transcript p.6, lines 3 to 12 and p.11, line 4 to p.12, line 25) I think the figure of £100 awarded to the Opponent for preparation of the Form TM7F can fairly and appropriately be equated to 4 hours of work at the rate of £25 per hour or 5 hours of work at the rate of £20 per hour.

21. In terms of the graduated approach to appellate function identified by Lord Neuberger PSC in Re B (a child) (Care Order Proceedings) [2013] UKSC 33 at paragraphs [93], [94], I consider that the Hearing Officer was right (item (ii) of Lord Neuberger's categorisation) to decide as he did that £200 was a reasonable sum to award by way of costs in this case in the exercise of the statutory power conferred by Section 68(1) of the Act and Rule 67 of the 2008 Rules.

22. For the reasons I have given, the Opponent's Appeal is dismissed. I have no reason to believe that the Applicant has incurred any significant costs in connection with the Appeal. The Appeal is therefore dismissed with no order as to costs.

Geoffrey Hobbs QC

29 July 2016

Mr. Mukul Sethi represented the Opponent.

The Applicant took no part in the Appeal.

The Registry took no part in the Appeal.