O-249-20

TRADE MARKS ACT 1994

IN THE MATTER OF
TRADE MARK APPLICATION NOS 3248059, 3248061 AND 3248081
IN THE NAME OF THE JET BUSINESS INTERNATIONAL CORPORATION

AND

OPPOSITIONS THERETO UNDER NOS 411278, 411280 AND 411456
BY STEVEN VARSANO

SUPPLEMENTARY DECISION

Background

1. On 10 March 2020, I issued a decision on behalf of the registrar (BL O/148/20), in which I dismissed the oppositions in these proceedings. In that decision, I stated:

> "**Costs**
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> 74. Mr Norris submitted that scale costs would be appropriate. Mr Tritton indicated that, while he considered scale costs might be appropriate, he wished to reserve his position until he had seen my decision. The parties should provide any additional submissions on costs within fourteen days of the date of this decision, upon receipt of which I will issue a supplementary decision on costs. The appeal period will not begin until that supplementary decision is issued".

2. Both parties duly filed submissions on costs.

3. The opponent's position, as it was at the hearing, is that costs on the normal scale are appropriate. The opponent says that it has sought clarification from the applicant in order to assist with the preparation of the submissions on costs and whilst it was told that the applicant would be seeking costs off the scale, no further information was forthcoming. The opponent's position is that the indication at the hearing by counsel for the applicant that scale costs appeared appropriate means that there was no conduct amounting to an abuse of process or unreasonable behaviour which the applicant could point to at that stage to justify an award off the scale. Absent a finding of a rule breach, delaying tactic or unreasonable behaviour, the opponent says, there is no basis even to consider off-scale costs. The opponent also argues that the applicant ought not, in light of counsel for the applicant's comments at the hearing, be allowed to rely on conduct which was known to it at the hearing as the basis for an off-scale costs request: that would be going back on what it said at the hearing, namely that scale costs appeared appropriate.

4. The applicant, in the first instance, requests costs in the amount of £10,250, which it appears to consider within the scale. It draws my attention to the limited detail in the notices of opposition filed by the opponent, contrasted with the detailed counterstatements filed by the applicant, three Case Management Conferences ("CMCs") and the evidence filed by the parties, as well as the use by the applicant of counsel, including for the CMCs. The applicant also seeks costs off the scale. It refers me to a number of previous decisions where off-scale costs have been considered or awarded. The applicant submits that the opponent has acted unreasonably by bringing the oppositions. It states that the case under s. 5(4)(a) was "misconceived" and "doomed to fail from the outset"; the ground based upon s. 3(6) "foundered badly". The applicant also submits that it was unreasonable for the opponent to object to the applicant's request to file additional evidence, which occasioned the third CMC. The applicant submits that costs of £27,350 should be awarded, comprising scale costs to 24 January 2019 (i.e. up to and including the first evidence round and CMC) of £4,650 and off-scale costs after that date in the sum of £22,700.

Decision

5. Rule 67 of the Trade Marks Rules 2008 provides:

> "**67.** 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".

6. Tribunal Practice Notice ("TPN") 4/2007 indicates that the tribunal has a wide discretion when it comes to the issue of costs, including making awards above or below the published scale where the circumstances warrant it. The principle underlying scale costs is that the successful party receives a contribution towards its costs, not full compensation.[1] The published scale of costs was updated in TPN 2/2016, which applies to proceedings commenced on or after 1 July 2016. However, TPN 4/2007 remains

[1] See, for example, TPN 2/2016, paragraph 3.

relevant, particularly, for present purposes, paragraphs 5 to 8, which concern off-scale costs.

7. It is clear from the authorities that in making an award of costs, I must exercise judgement and discretion with regard to all of the circumstances.[2] There appears to be no dispute that costs should follow the event and that the applicant, having been successful, is entitled to a contribution towards its costs. The matter at issue is quantum.

8. I turn first to the question of whether off-scale costs are appropriate. No aspect of the opponent's conduct was identified at the hearing as warranting costs off the scale. My view then, and my view now, is that if there had been unreasonable or abusive behaviour during proceedings it should have been apparent to the applicant at the date of the hearing and submissions ought to have been made at the time. I agree with Mr Norris that it would be wrong to permit the applicant to argue now that the opponent's conduct was abusive or otherwise unreasonable when it appeared to accept at the hearing that, at that point, it could identify no conduct on the part of the opponent warranting off-scale costs. Nothing occurred between the hearing and the issuing of the decision which could be said to support such a request. For completeness, however, I will briefly consider the points identified by the applicant in its written submissions on costs.

9. Paragraph 5 of TPN 4/2007 makes it clear that the fact that a party has lost is not of itself indicative of unreasonable behaviour. It would not be appropriate to make an off-scale award on the sole basis that the oppositions have failed. The only aspect of my decision which is relied on to support the request for costs off the scale, other than findings made against the opponent on the facts, are my comments regarding confidentiality at paragraph 9. I would note that those comments are not directed exclusively at the opponent. More pertinently, however, what the applicant has not

[2] See, for example, *AMARO GAYO COFFEE Trade Mark* (BL O/257/18), paragraphs 13-14 and *FreshGo Trade Mark*, BL O/197/11, paragraphs 22-26.

made clear is how the requests for confidentiality increased costs for the applicant and how this amounted to unacceptable conduct on the part of the opponent. Both parties requested confidentiality. Both were bound by the orders in other jurisdictions. Neither caused CMCs to be appointed by objecting unreasonably to the other party's requests for confidentiality.

10. That leads me to the CMC appointed at the opponent's request to discuss the applicant's request for leave to file further evidence. I do not consider this to be behaviour which would justify off-scale costs. The application was granted but the opponent requested, and was permitted, time to respond to the additional evidence. In my view, this was no more than the opponent exercising its right to object to the application and to seek a chance to respond with evidence of its own.

11. In terms of whether it was unreasonable for the opponent to bring the oppositions at all, this appears in the applicant's submissions to be inextricably linked to the failure of the actions. The fact that the evidence provided by the opponent did not support his claim is not itself indicative of unreasonable behaviour and, while inadequate, the evidence was no worse than is seen in many proceedings before this tribunal. It was certainly not oppressive in quantity. While the opponent was mistaken in his belief that he had rights which could prevent the registrations, it is possible to understand why he might have believed otherwise and the claims were no so obviously ill-founded that either the oppositions or the individual grounds could be said to be abusive.

12. My view is that the reasons identified by the applicant do not, either individually or cumulatively, amount to justification for off-scale costs. For all of the above reasons, the request for costs off the scale is rejected.

13. Turning to the request for costs on the normal scale, it is said that the applicant used in-house counsel for the initial stages of proceedings. However, Mr Ivanov has himself been the named representative throughout. He is identified on the notice of defence as the "recorded applicant, owner or holder of the trade mark", not as its

representative; his evidence was that he is a director of the applicant. In the absence of any clear evidence that the applicant had professional representation, including in-house, prior to 24 January 2019 it would be inappropriate to award scale costs at the level for professional representatives. There were three notices of opposition to consider and three counterstatements to file. The applicant will have had to familiarise itself with the pleaded grounds, which will have taken some time. I bear in mind that only two grounds were raised, although there were a number of earlier rights relied upon under s. 5(4)(a). None of the forms was particularly long and there was considerable overlap in both the grounds and in the applicant's response, which will have reduced the time spent on drafting the counterstatements. I consider ten hours a reasonable amount of time for the necessary consideration of the notices of opposition and preparation of the counterstatements.

14. The applicant seeks costs for each evidential round. Costs on the scale are not awarded on that basis: the range given is for "Preparing evidence and considering and commenting on the other side's evidence", thus indicating that it relates to all of the evidence filed in the proceedings, not each evidence stage. The opponent's evidence was light and would have required little consideration. The applicant filed very detailed evidence, though not all of it was necessary; the bulk of it was filed before the applicant was professionally represented. I consider that the consideration of the opponent's initial evidence and preparation of its own evidence would reasonably have taken five days. I will also make a small award based on the scale in relation to the subsequent evidence rounds, where the applicant had external counsel but where only a limited amount of evidence was filed.

15. Costs are also sought for the CMCs. The CMCs relating to confidentiality were appointed at the instigation of the tribunal and, given the issue, neither party was the "winner". As I have already indicated, I do not think that the request to be heard on the matter of additional evidence was unreasonable and, whilst the opponent did not persuade me to refuse the applicant's request, it did secure the chance to respond. I do not consider any award appropriate for the CMCs.

16. A hearing took place, which lasted a little over three hours. Given the complexity of the evidence and the matters in dispute, I consider that an award in the middle of the scale is appropriate.

17. I therefore award costs to the applicant as follows:

Considering the notices of opposition and filing counterstatements (10 hours at £19/hour):	£190
Filing evidence and considering the other side's evidence (40 x £19, plus £100):	£860
Preparing for and attending a hearing:	£800
Total:	**£1,850**

18. I order Steven Varsano to pay the Jet Business International Corporation the sum of **£1,850**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

19. The period for appeal against the substantive decision runs concurrently with the appeal period for this supplementary decision on costs.

Dated this 22nd day of April 2020

Heather Harrison
For the Registrar
The Comptroller-General