O/403/20

DECISION ON COSTS

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003410018
BY THE GILLETTE COMPANY LLC
TO REGISTER THE FOLLOWING MARK:

SUNNY

IN CLASSES 3 AND 8

AND

IN OPPOSITION THERETO NO. 417993
BY SOCIÉTÉ BIC

INTRODUCTION

1. By letter dated 16 June 2020, Société BIC ("the opponent") confirmed the withdrawal of the opposition for commercial reasons. On 23 June 2020, The Gillette Company LLC ("the applicant") made a request for costs in the sum of £5,050 based upon the scale published in Tribunal Practice Notice 2/2016 ("the TPN"). Both parties filed written submissions in relation to this request. This decision is to determine the costs which should be awarded.

BACKGROUND

2. On 27 June 2019, the applicant applied to register the trade mark shown on the cover page of this decision in the UK in respect of goods in classes 3 and 8. On 7 October 2019, the opponent filed a Notice of opposition against the application. The opponent relied upon 3 earlier registered rights (IR designating the UK no. 813329, IR designating the EU no. 932346 and EUTM no. 13717921) all of which contained the word SOLEIL. The opponent also relied upon earlier unregistered rights in the sign SOLEIL. On 12 December 2019, the applicant filed a counterstatement, denying the grounds of opposition.

3. Prior to the opponent's deadline for filing evidence, it requested permission to file survey evidence and a request for an extension of time to allow that survey evidence to be obtained. The survey evidence was intended to address the UK average consumer's understanding of the meaning of the French word SOLEIL. A Case Management Conference ("CMC") took place on 10 March 2020 to address the issue, following which the opponent's request to file survey evidence was refused and the opponent was given 1 month in which to file its remaining evidence. The opponent's evidence was filed within that period.

4. On 18 May 2020, the applicant requested permission to file expert evidence. The purpose of the expert evidence, according to the applicant, was to analyse information provided in the opponent's "Pilot Survey" (the preliminary survey undertaken by the opponent which accompanied its request to file survey evidence) to identify what percentage of UK average consumers recognised SOLEIL in relation to the goods in

issue. On 9 June 2020, the Tribunal gave the following preliminary view in relation to the applicant's request:

> "The Registry's preliminary view is that the request to file expert evidence is refused.
>
> This is because the evidence in question appears to be of limited assistance in relation to the matters to be decided. In any event, the survey evidence upon which the report is based is not admitted as evidence in these proceedings. The pilot survey was filed in support of the opponent's request to file survey evidence. That request was refused."

5. The parties were given 28 days in which to challenge that preliminary view. However, on 16 June 2020, the opponent confirmed the withdrawal of the opposition for commercial reasons.

6. On 23 June 2020, the applicant made the following request for costs:

> "In light of the withdrawal of the Opposition, the Applicant is seeking its costs. The Opposition was of significant commercial importance to the Applicant, as it concerned the trade mark protection of new shaving products launched by the Applicant in the UK under the mark SUNNY in March 2020. As a result, the Applicant has had to incur substantial costs in order to robustly defend its trade mark application: it has incurred legal fees of over £52,000 for the period from the date of the Opposition (7 October 2019) to end of May 2020. Please note, this total does not include the costs of preparing the Expert Report of Professor Richard Weber dated 13 May 2020, which was provisionally considered inadmissible by the UK IPO on 9 June 2020, or correspondence that related to this report. Whilst we appreciate that the UK IPO is guided by Annex A to TPN 2/2016 on the issue of costs, we would urge the UK IPO to take into account the commercial importance of the Opposition and the high level of costs the Applicant has been required to incur when deciding the level of recoverable costs."

7. The applicant went on to request that costs in the sum of £5,050 be awarded in their favour based upon the scale published in the TPN. I will return to the applicant's detailed submissions on the calculation of this sum below.

8. On 14 July 2020, the opponent filed written submissions in response to the applicant's request for costs. In particular, the opponent noted that the costs incurred by the applicant (i.e. the sum of £52,000) were excessive, particularly as the opposition was withdrawn prior to the applicant's evidence being filed. The opponent also submitted that this sum was particularly excessive given that the most significant piece of work required by the applicant during the course of proceedings would have been the preparation of the expert report, the costs of which were excluded from the £52,000 sum. I will return to the opponent's detailed submissions regarding the breakdown of the applicant's request for costs below.

DECISION

9. Section 68 of the Trade Marks Act 1994 states as follows:

> "(1) 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
>
> (b) to direct how and by what parties they are to be paid.
>
> […]"

10. Rule 67 of the Trade Marks Rules 2008 states as follows:

> "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."

11. The Tribunal normally awards costs by reference to the scale published in the TPN as a contribution towards any costs incurred. There is no suggestion that a departure from the scale would be required or appropriate in this case. Rather, the applicant submits that an award towards the upper end of the scale is appropriate.

12. I do not consider the actual costs incurred by the applicant or the perceived 'commercial importance' of the opposition to be of relevance to the issue of costs awarded in line with the TPN. Costs before the Tribunal are intended to be contributory rather than compensatory; they are not intended to compensate the successful party for the actual costs incurred. Further, it is inevitable that all disputes decided by this Tribunal are of commercial importance to the parties involved. It is not uncommon for proceedings to be ongoing even after the launch of products sold under the contested mark in the marketplace. I do not, therefore, consider that these lines of argument assist the applicant.

13. I will now consider each item of the applicant's claim for costs in accordance with the scale at Annex A to the TPN.

Preparing a statement and considering the other side's statement

14. In this regard the applicant submits as follows:

> "A maximum of £650 is recoverable under this heading. We consider that the Applicant should recover the full amount on the basis that complexity of the Opposition is a relevant factor and the Opponent relied on three earlier trade marks, alleged that a 'family' of trade marks existed, and raised objections under each of sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994. Further, the reliance by the Opponent on the meaning of SUNNY in various foreign languages was an unusual aspect of the Opposition and increased its complexity. It is noted that the Opponent has abandoned all of these arguments."

15. The opponent denies that the grounds of opposition were unusually complex and notes that the applicant's counterstatement amounted to only 4.5 pages. The opponent also takes issue with the suggestion that it 'abandoned' its arguments and reiterates that the opposition was withdrawn for commercial reasons rather than due to its perception of the merits of the case. The opponent submits that costs should be awarded at the lower end of the scale in this regard.

16. I consider the true position to be somewhere in between the positions put forward by the parties. I do not consider this, by any means, to have been a case at the highest level of complexity; oppositions on these grounds are very common before the Tribunal. However, it can also not be said to have been at the very lowest end of the scale. Taking this into account, I consider that £350 is a reasonable amount for considering the Notice of opposition and preparing the applicant's Counterstatement.

Preparing evidence and considering and commenting on the other side's evidence

17. In this regard, the applicant submits as follows:

> "£2,200 may be recoverable under this heading. The Opponent filed a lengthy witness statement and extensive exhibits (33 in total) on 8 April 2020. The Applicant has considered this statement and its exhibits in detail and has begun the process of responding to it. We consider that recovery of the sum of £1,100 would be fair in the circumstances."

18. The opponent notes that the most significant part of the work undertaken under this heading would have been the preparation of the applicant's own evidence. However, the opposition was withdrawn before the applicant's deadline for filing its evidence. Further the opponent notes as follows:

> "The Opponent's evidence was comprised of a 15 page witness statement and 33 exhibits, which is reasonable for a case of this nature where an opponent relies on a claim to reputation, and which involves issues regarding perception

of a foreign-language mark. Indeed, the Applicant does not suggest otherwise. The Opponent's evidence was in no way unusually substantial and the costs recoverable under this heading do not, in our submission, fall in the "substantial" category that would warrant an award towards the top of the costs cap under this heading."

19. The opponent suggests that the majority of time between the filing of the opponent's evidence and the withdrawal of the opposition would have been taken up by the applicant's preparation of its expert report. Further, the opponent submits that the applicant had until 7 September 2020 to file its evidence and so the work required to prepare its evidence would not have been particularly advanced by the time the opposition was withdrawn.

20. I consider it entirely plausible that the applicant has, at least, begun to review the opponent's evidence alongside the preparation of its own expert report. However, I agree with the opponent that it seems entirely unlikely that preparation of the applicant's evidence was particularly advanced by the time of the opposition being withdrawn. I note that the opponent's evidence did not exceed the 300 page limit imposed by the Tribunal, although it was at the upper end of this limit in terms of length. Taking all of this into account, I consider the sum of £400 to be sufficient given the timing of the opposition being withdrawn in relation to the applicant's evidence deadline.

Preparing for and attending a hearing

21. In this regard, the applicant submits as follows:

"The Opponent significantly raised costs in the Opposition by seeking to rely on survey evidence, which was resisted by the Applicant due to the flawed nature of the survey questions. The resolution of this issue necessitated exchanges of correspondence with the Opponent, detailed consideration of the methodology and results of the survey and Mr Malivoire's expert report; and preparation and attendance at a hearing with the Registrar on 10 March 2020, at which the Registrar upheld the Applicant's objection and held the survey to be

inadmissible due to its inherent flaws. We consider that the Applicant should be able to recover the maximum sum available under this heading, namely £3,300."

22. The opponent takes issue with this claim being made under this heading. The opponent submits that the reference in the scale to a costs award for a hearing relates to a main hearing and submits that, if such an award can be made, it should be made under the preparation of evidence heading. Further, the opponent notes that the costs recoverable under this heading are capped at £1,600 per day of hearing. I accept that the costs for a CMC are recoverable provided, as the opponent states, this does not allow for 'double recovery'.

23. As noted above, costs before this Tribunal are calculated according to the scale in order to ensure that Tribunal proceedings are affordable and proportionate. An award of costs in relation to a CMC which lasted only around 1 hour, cannot possibly justify an award in the amount claimed by the applicant. As correctly noted by the opponent, it would be extremely unusual for such an award to be made even in respect of a substantive main hearing. To my mind, the sum of £300 is reasonable as a contribution towards the costs of the CMC on 10 March 2020.

CONCLUSION

24. In conclusion, I award the following:

Considering the Notice of opposition and filing a counterstatement	£350
Considering the opponent's evidence and beginning preparation of evidence	£400
Preparation for and attendance at CMC	£300
Total	**£1,050**

25. I order Société BIC to pay The Gillette Company LLC the sum of £1,050. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 19th day of August 2020

S WILSON
For the Registrar