O/579/20

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3407995

IN THE NAME OF

FREYA NELLTHORP

FOR THE FOLLOWING TRADE MARK IN CLASS 44

Vanity Fur Luxury Pet Services

AND OPPOSITION THERETO (NO. 600001163)

BY

VANITY FUR DOG GROOMING LTD

Background and Introduction

1. On 19 June 2019, Ms Freya Nellthorp ("the Applicant") applied to register the trade mark Vanity Fur Luxury Pet Services in the UK for services in class 44. On 15 July 2019, Vanity Fur Dog Grooming Limited ("the Opponent") opposed the application by way of the Fast Track opposition procedure under Section 5(1) of the Trade Marks Act 1994 ("the Act") relying on its earlier trade mark Vanity Fur filed on 10 June 2019 and registered on 8 November 2019.

2. Neither party was legally represented, however throughout the proceedings Mr Richard Parker, in his capacity as a director, represented the Opponent.

3. By way of letter dated the 7 August 2019 the registry, exercising its discretion under Rule 62(1)(j) of the Trade Marks (Fast Track Opposition) (Amendment) Rules 2013, converted the proceedings to a conventional opposition, because at the time of filing its form TM7F the Opponent's trade mark as relied upon had not attained registration. Whilst initially requesting that the Opponent file an amended form TM7, the registry subsequently determined that this was not necessary as the substance of form TM7F had not materially changed.

4. Following the filing of a defence and counterstatement by the Applicant the matter proceeded and evidence rounds were set. Both parties filed evidence; the Opponent in the form of a witness statement and statement in reply completed by Mr Parker; the Applicant by way of a witness statement completed by Ms Nellthorp.

5. By way of letter dated 15 April 2020 the parties were notified that the evidence rounds were concluded and that the case was ready for a substantive decision. The parties had until 13 May 2020 to request a hearing or a decision from the papers would be issued. Following this letter, Ms Nellthorp notified the registry by way of email dated 29 April 2020 that she wished to withdraw her application. The opposition proceedings were subsequently concluded and the Opponent made a request for an award of costs in its favour.

6. The initial costs claimed by the Opponent amounted to £800 on the basis of the guidance as set out in Tribunal Practice Notice ("TPN") 2/2006. The Opponent was notified that any claim for costs for an unrepresented party was in accordance with The Litigants in Person (Costs and Expenses) Act 1975 which sets payment at a rate of £19.00 per hour. The Opponent was invited to complete a pro forma providing an accurate estimate of the number of hours spent on a range of given activities relating to the prosecution of the proceedings. The Opponent filed a revised claim totaling 38 hours. Subsequently this figure was taxed and a preliminary view was issued by way of letter dated 27 August 2020 reducing those costs to a total of £306 (inclusive of the official fee). Both parties challenged the preliminary view – the Applicant on the basis that no award of costs should be made and the Opponent on the basis that the costs had been excessively reduced in light of the work undertaken.

7. The parties and the registry entered into further correspondence on the matter which resulted in the Opponent asking for a further review of the assessment and the Applicant requesting that the matter be listed for a hearing. That hearing took place before me via telephone conference on 14 October 2020. Mr Parker and Ms Nellthorp were both in attendance.

8. This decision is to determine whether and to what extent a cost award should be granted, having regard to all the submissions and correspondence filed by the parties, to the relevant sections of the Act and the relevant TPNs. The costs assessment must be approached on what is proportionate and reasonable in all the circumstances taking into account the underlying principles that any award of costs is not to represent a full cost recovery but rather a realistic contribution.

Parties submissions

9. Whilst neither party filed formal submissions both filed numerous letters in relation to the issue of costs. A summary of those submissions are set out below.

10. The Opponent's submissions can be summarised as follows:

- that the costs should be awarded on the standard scale of costs as set out in TPN 2/2016

- that the Opponent was entitled to additional preparation costs to include expenses for having to take time off work to attend the costs hearing since it was the Applicant who had requested the costs hearing.

- The revised figure was unjust and did not account for the fact that Mr Parker and his wife had no legal experience and therefore had to research not only how to prepare the papers for submissions but also had to research and prepare the statements and evidence fully so that all dates and evidence relied upon were all fully correct. "This in itself took considerable amounts of time beyond our regular working days and required us having to enlist the assistance of friends who were legally qualified after so as to ensure we were crossing all the T's and dotting all the I's as it were."

11. The Applicant submitted as follows:

- That the Opponent had acted unreasonably and had behaved in an intimidating manner "bombarding the Applicant with messages on Facebook demanding Ms Nellthorp's home address" and due to the absence of the means to obtain suitable legal advice Ms Nellthorp believed that she had no option but to continue defending the matter "as a direct result of Richard Parker's hostile attitude and intimidating demeanour."

- That the Opponent had delayed and protracted proceedings and had not been prepared to settle the matter preferring to string matters out and increase costs dragging "out this case for over a year with the sole intention of reaching a hearing so that costs could be claimed knowing that the sole objective of the Applicant changing her business name had been achieved and therefore unnecessarily exacerbating his claim for costs"

- That the Opponent had filed the incorrect form TM7F and by not filing an amended form as requested, the opposition should have been dismissed. By allowing the Opponent to continue with the incorrect form the registry favoured the Opponent to the Applicant's detriment.

- That the Opponent had not given prior notification of the opposition proceedings simply informing the Applicant via Facebook messenger on 12 July 2019, some three days before proceedings were issued giving insufficient time to the Applicant to seek legal advice or to "reach an amicable decision about what is to be done before legal proceedings were filed."

- That the Opponent had claimed excessive costs and dramatically inflated the time spent on any given activity "given the minimal amount and type of paperwork/details involved in this case" and that the costs already incurred by the Applicant considerably outweighed the costs sought by the Opponent.

- That the Opponent had achieved the desired outcome and that "costs had been incurred by BOTH parties, despite neither party having legal representation, and given the current unprecedented situation with COVID-19 resulting in a total lack of income for many months for two very small new independent businesses, may I suggest that this matter is simply put to rest and the case closed, as Mr Parker has achieved his sole objective of me changing my business name."

- That Ms Nellthorp did not realise that she "had the option not to respond and not to defend the case" only becoming aware of this option following her discussion with the IPO on 29 April 2020 which resulted in her immediately withdrawing her application.

- That due to Covid 19 that she had been without an income for a number of months and had to incur considerable setting up costs for her new business.

- That the Opponent did not file evidence in reply in relation to the Opponent's claim that a customer had believed that the Opponent had rebranded when coming across the Applicant's Facebook post.

- That the Hearing Officer consider the contents of Ms Nellthorp's confidential letter dated 26 May 2020 when assessing whether a costs award should be made.

The legislative provisions

12. Section 68 of the Act and Rule 67 of the Trade Marks Rules 2008 read as follows:

> "68. (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."
>
> and
>
> "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."

13. Various TPNs have also been issued over the years in relation to the award for costs in proceedings. In particular I take note of TPN 4/2007 in relation to undefended proceedings brought without prior notice which states:

> "9. In the past costs have been awarded against rights owners or applicants when an opposition, revocation or invalidity action has been brought without prior notice, even if the action was then undefended and the application or rights in question were immediately withdrawn or surrendered. Unless factors exist which suggest otherwise, as from 3 December 2007 costs will not be awarded

against rights holders or applicants who do not defend an action in such situations."

14. In addition, The Litigants in Person (Costs and Expenses) Act 1975 sets out the hourly rate upon which unrepresented parties may claim and TPN 2/2016 sets out the headings of the activities upon which any contribution of costs is to be assessed. TPN 2/2000 enables the Hearing Officer to award actual costs when circumstances warrant it, in particular to deal with unreasonable behaviour or delaying tactics.

Decision

15. This decision effectively acts as a reconsideration of the costs assessment taking into account the written submissions included in the correspondence and the oral submissions at the hearing. Since the focus of the Applicant's submissions is that the Opponent is not entitled to a costs award on the basis of the matters outlined above, I will address the issues raised in turn.

TM7F being the incorrect form

16. Throughout the proceedings Ms Nellthorp referred to the Opponent's form TM7F as the "incorrect form" and argued that the registry's decision not to compel the Opponent to file an amended form impacted negatively on the proceedings, resulting in her incurring further costs. For reasons already explained in previous correspondence, I do not accept Ms Nellthorp's arguments and do not find that the registry's decision has affected the validity of the proceedings nor prejudiced Ms Nellthorp in any way. For the avoidance of doubt, throughout the proceedings I note that both parties filed documents that required rectification or amendment. Those documents were amended, by direction of the registry, relying on their wide case management powers under Rule 62 of the Trade Marks Rules 2008 ("the Rules"). The registry has not favoured one party over the other in this regard and has not granted "laxity to the Opponent over the Applicant" as submitted by Ms Nellthorp. It is commonplace for documents to be amended or rectified, especially in circumstances where the parties are unrepresented and therefore, I do not consider that the proceedings have been overly delayed by one party or the other as a result.

Insufficient notice being given to the Applicant and contact via Facebook

17. I note that the Opponent first contacted Ms Nellthorp via Facebook on 10 June 2019 and at Ms Nellthorp's behest any future correspondence was to be directed through her legal representatives Burley Geach Solicitors. I accept Mr Parker's submissions that the letter sent to Burley Geach did not generate a response and therefore he contacted Ms Nellthorp again via Facebook on 12 July 2019 to notify her that proceedings had been issued. I find that no criticism can be directed at Mr Parker for contacting Ms Nellthorp via social media, since he had not been provided with a registered business address and (as has become apparent) Burley Geach were not formally instructed by Ms Nellthorp. I consider that the Opponent had provided the Applicant with sufficient prior notice of his intention to challenge the application. In any event the issue surrounding notice periods only becomes relevant in circumstances where proceedings are undefended. Since the proceedings were in fact defended, TPN 4/2007 does not apply in this case.

Mr Parker's behaviour

18. I have not been provided with any specific evidence that suggests Mr Parker has behaved unreasonably within the proceedings, engaging in a "hostile attitude" or "intimidating demeanour". Other than the initial pre action social media messages the correspondence between the parties during proceedings has been via the registry. Mr Parker legitimately pursued an opposition in order to protect his business interest properly challenging an application which he considered "emulated his business model and infringed his rights". I do not consider that the Opponent has unduly protracted the proceedings in order to increase costs.

19. However, in relation to Mr Parker including information relating to Ms Nellthorp's parents in his witness statement, whilst not amounting to unreasonable behaviour I consider that this information was irrelevant to the substantive proceedings and therefore any time attributed to this content will be disregarded.

No option but to defend the proceedings

20. I find that Ms Nellthorp had an opportunity to withdraw her application at any stage during the proceedings and in fact by way of letter dated 25 June 2019 the registry

notified the Applicant at the outset of the consequences of pursuing an application in light of an opposition. The Applicant chose to defend the proceedings throughout, requiring the Opponent to incur costs both in terms of financial and time in pursuing the matter. The proceedings were only withdrawn at the conclusion of the evidence rounds. The proceedings were clearly not "undefended" and "immediately withdrawn" in circumstances envisaged by TPN 4/2007. Having considered all the correspondence I reject the Applicant's arguments that she had no option but to defend the proceedings. I am satisfied that the registry referred Ms Nellthorp to the appropriate guidance and that she was notified throughout the proceedings of the consequences of defending the opposition in particular in relation to costs.

Confidential correspondence

21. The Applicant filed a letter dated 26 May 2020 which commented on the Opponent's costs application however this letter was marked confidential. This letter was not served on the Opponent and not admitted into proceedings. The Applicant subsequently filed an amended letter dated 29 July 2020 which was served on the Opponent omitting the confidential information. After the hearing, Ms Nellthorp asked for the contents of the confidential letter, in so far as it related to the Applicant's personal and financial circumstances, to be considered before reaching a decision as to costs. This letter was not formally admitted into proceedings and not served upon the Opponent and therefore, it has had no opportunity to respond. Consequently, I am not able to take it into account. Even if the contents of this letter were to be considered, the matters raised are not ones that can be properly taken into account when assessing any award of costs. These matters are ones to be raised during any enforcement proceedings between the parties should the costs remain unpaid.

Not seeking an amicable settlement

22. There is no obligation on one party over the other to negotiate a settlement. It is open to both parties to consider alternative methods of disposal other than legal proceedings. Both parties were notified of the mediation process. It was therefore equally open to the Applicant as it was for the Opponent to put settlement terms forward. Some cases however are not capable of settlement and the Opponent cannot be criticised for wanting to protect his intellectual property rights especially where the opposition resulted in the contested application being withdrawn.

The Opponent did not respond to evidence

23. The process of filing evidence and the form in which it must take is set out clearly under the Act. The registry however does not have discretion to interfere with the content of a party's statement or direct that it responds to matters raised by a party. Had the matter proceeded to a full hearing or substantive decision those issues in so far as they were relevant to the matter in suit would have been part of the considerations. I do not consider that Mr Parker's failure to provide evidence regarding the Opponent's customer who brought the Applicant's business to his attention has any direct impact on the costs application.

No costs order

24. The Applicant argues that the parties should "just walk away" as the purpose of the opposition has been achieved. I take from this that the Applicant means that each party should bear their own costs. However, I note that the Opponent has expended both time and money in pursuing an opposition and prepared and filed evidence as a result of the proceedings being defended by the Applicant. In light of the Applicant withdrawing her application the opposition is deemed to have been successful. In proceedings before the tribunal a successful party is entitled to its costs in bringing the opposition.

25. Taking all matters into account I therefore find that it is appropriate for a costs order to be made in the Opponent's favour. I will now go on to consider the extent of the costs award.

26. Ms Nellthorpe argues that the amount of costs claimed by the Opponent are excessive, disputing the time expended in preparing and drafting the documents. She argues that 16 hours per day for drafting a short statement is excessive and attaching screen shots would only take a matter of minutes. Ms Nellthorp argues that even the revised figures as contained in the preliminary view are excessive.

27. Whilst the Opponent initially claimed costs on the basis of the standard scale and disputed the revised costs award, at the hearing he conceded the revised costs figure as set out in the registry's letter dated 27 August 2020 and wished to accept the

preliminary view. In addition, he asked for additional costs for the preparation time and attendance at the hearing since it was the Applicant who had requested a hearing.

28. Whilst Ms Nellthorp requested a hearing, she was entitled to do so and to request to be heard on the matter. I also note that whilst Mr Parker did not specifically request a hearing he had nevertheless challenged the preliminary view and asked for "a review to be undertaken of the revised costs award" only accepting the revised figures at the hearing itself.

29. Mr Parker did not provide a detailed breakdown of the preparation time undertaken for the hearing other than submitting that he had spent time "reviewing the statements and checking through the time spent in terms of preparing the paperwork prior and taking the day off work to attend the hearing." Under the provisions there is no mechanism for the Opponent to claim loss of earnings and therefore the fact that the Opponent took a day off work are not expenses that can be reimbursed.

30. When assessing the amount of costs, I take into account that the Opponent is an unrepresented party and as such any time taken to prepare or consider documents would have taken longer than a solicitor or trademark attorney. I do not consider that drafting a witness statement would take a matter of minutes as argued by Ms Nellthorp. Despite this the original application appears to have been mistakenly based on the standard scale of costs as set out in TPN 2/2016. I take into account the preliminary view and the taxation undertaken and accept that 38 hours as originally claimed is an excessive amount of time for each activity and also that a proportion of that time was attributed to partly irrelevant information as set out previously. In relation to the additional costs for the hearing, the hearing itself was very short, lasting no more than 30 mins and in light of Mr Parker's submissions any preparation time would have been minimal. Having found in the Opponent's favour, in absence of a detailed breakdown, I consider that an appropriate award for preparing and attending the hearing would be 1 hour.

31. It is on this basis having considered the submissions filed, having regard for the TPNs, the rules and the relevant section of the Act, that an award of costs should be granted to the Opponent because withdrawal of the application has resulted in the

opposition being successful. The Opponent has expended both time and money in pursuing an opposition and prepared and filed evidence following the Applicant defending the matter. I consider a costs award to the Opponent to be appropriate and nothing has been raised by the Applicant to warrant not making one.

32. Having regard to the extent of the evidence filed, the length of the witness statements, the lack of complexity in the case as a whole and that any costs award by the registry is contributory rather than compensatory I consider the following figures to be a fair and reasonable award of costs:

Task		**Time**
Preparing a notice of opposition (TM7F):		2 hours
Considering the defence and counterclaim TM8:		1 hour
Drafting witness statement:		4 hours
Considering Applicant's witness statement:		2 hours
Drafting witness statement in reply:		4 hours
Preparation for and attending costs hearing:		1 hour
Total	**14 hours @ £19**	**£266**
Official fee		**£100**

33. I therefore award the Opponent the total costs in the sum of £366.

34. I order Ms Freya Nellthorp to pay Vanity Fur Dog Grooming Ltd the sum of £366 as a contribution towards its costs. This sum is to paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of November 2020

Leisa Davies
For the Registrar