



Neutral Citation Number: [2022] EWHC 2158 (Ch)

Case No: IL-2021-000081

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
SHORTER TRIALS SCHEME

7 Rolls Buildings
Fetter Lane, London
EC4A 1NL

Date: 12/08/2022

Before :

MR JUSTICE ADAM JOHNSON

Between :

**(1) LAPPET MANUFACTURING COMPANY
LIMITED**
(2) SHEMAGH AL BASSAM COMPANY
- and -

Claimants

(1) MR BASIL IBRAHIM RASSAM
(2) MR IBRAHIM RASSAM
**(3) LONDON TEXTILE INDUSTRIES
LIMITED**

Defendants

Michael Hicks (instructed by **Potter Clarkson**) for the **Claimants**
Christopher Hall (instructed by **Harper James**) for the **Defendants**

Written submissions only

Approved Judgment

This judgment was handed down remotely by circulation to the parties' representatives by email and released to the National Archives. The date and time for hand-down is deemed to be 2pm on Friday 12 August 2022.

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Mr Justice Adam Johnson:

1. I have to deal with two matters consequential on my Judgment dated 13 June ([2022] EWHC 1412 (Ch)), following written submissions made by both parties. The two matters are (1) costs, and (2) permission to appeal.

Costs

2. The Claimants were the successful parties, in that they successfully resisted the two applications made by the Defendants, both of which I dismissed. It is therefore agreed that, in principle, the Claimants are entitled to their costs of the two applications. There is disagreement, however, as regards the amount payable, and the time to be allowed for payment.

Amount of Costs

3. The Claimants have filed costs schedules showing both their costs as they stood at the date of the hearing on 3 May, and their costs as they stand today. These are as follows:
 - i) Jurisdiction Application: £16,624.40 (current costs £23,334.40).
 - ii) Transfer Application: £10,339.10 (current costs £16,420.10).
4. The Defendants filed costs schedules for the hearing on 3 May, showing that at that stage, their costs for the two applications were as follows:
 - i) Jurisdiction Application: £19,432.50.
 - ii) Transfer Application: £9,552.50.
5. Three particular points arise for consideration in assessing the quantum of the Claimants' costs. I will deal with them in turn.
6. *Pre-Action Protocol*: The Defendants criticise the Claimants for having issued their Claim Form without having first sent a letter of claim, as required under the relevant Practice Direction. They argue this should lead to a 25% reduction in recoverable costs.
7. I do not consider this a valid criticism. The claim is for counterfeiting of the Claimants' goods. In the circumstances, it was reasonable in my view for the claim to be commenced without prior notification. I think the Claimants were entitled to assume there would be no real utility in seeking to engage in pre-action discussions. I do not propose to make any deduction on this basis.
8. *Hourly Rates*: This is perhaps the main point of contention. The Claimants' solicitors, who are based in Nottingham, have charged on the basis of the following hourly rates:
 - i) Partner (Grade A fee earner): £462 per hour (2021), and £490 per hour (2022 rate).

- ii) Associate (Grade C fee earner): £293 per hour (2021 rate), and £330 per hour (2022 rate).
9. However, the present Guideline Hourly Rates for Nottingham are rather lower than these figures, as follows:
 - i) Grade A fee earner: £261 per hour.
 - ii) Grade C fee earner: £178 per hour.
10. The Defendants' position is that the Claimants' solicitors should be held to those Guideline Hourly Rates, and so a substantial reduction is justified.
11. Recently, in Samsung v. LG Display, Males J said at [6] that if a rate in excess of the guideline rate is to be charged, then a "*clear and compelling justification must be provided*", and it is not enough merely to say that a case is a "*commercial case, or a competition case, or that it has an international element, unless there is something about these factors in the case in question which justifies exceeding the guideline rate*".
12. In this case, I am satisfied that there is justification for an increase on the Nottingham Guideline rates. That arises from the complexity of the issues which arose on the two applications I disposed of. Both required specialist knowledge of the procedure applicable to intellectual property claims, and trade mark claims in particular. The intricacies will be readily apparent from my earlier Judgment. In my opinion, the Claimants were thus fully justified in engaging solicitors with the appropriate specialist knowledge, appropriate to advising on the issues in question and managing the conduct of the Defendants' applications. I do not regard this case as one in which the justification is put forward only in a generalised way: it is put specifically on the basis of the specialist procedural knowledge needed in order to act effectively. It therefore does not fall foul of the proscription set out by Males LJ in the Samsung case. Instead, as I see it, a departure from the Guideline Rates is justified on the basis of the long-established principle that specialist solicitors in specialist areas of activity should recover an uplift to reflect that specialism, where that is justified in the circumstances: see, e.g., ABS Company Limited v. Pantaenius UK Limited and others [2020] EWHC 3720 (Comm), per HHJ Pelling at [64].
13. All that said, I do consider that the Claimants' solicitors' hourly rates are rather high, when measured against the Guideline rates applicable for Nottingham. They are also rather high when measured against the rates for London Band 2. Thus:
 - i) The mean of the claimed partner rates for 2021 and 2022 is £475 per hour, whereas the London 2 Grade A fee earner rate is £373 per hour.
 - ii) The mean of the associate rates for 2021 and 2022 is £310 per hour, whereas the London 2 Grade C fee earner rate is only £244 per hour.
14. That being so, and bearing in mind also the need for proportionality in the context of a claim which may have only a limited value in any event, I propose to reduce the claimed rates as follows:
 - i) Grade A, partner: £350 per hour.

- ii) Grade C. associate: £230 per hour.
15. *Counsel's fees*: The Claimants' costs schedules show total fees for counsel of £8,400, broken down as follows:
- i) Jurisdiction Application: £5,150.
 - ii) Transfer Application: £3,250.
16. The Defendants say the overall figure of £8,400 is disproportionately high for a hearing that occupied approximately a half-day and with a skeleton argument of only 11 pages. They suggest a reduction to £5,000.
17. I agree that the amount claimed is high and should be reduced. I will reduce it to £6,000. The only argument against reduction advanced by the Claimants is that the counsel fees claimed by the Defendants were in excess of £8,400. That is true: they total £12,840. All that goes to show, however, is that the Defendants' fees for counsel were also disproportionately high. It does not, in itself, justify the Claimants' counsel fees.
18. *Conclusion and Post-hearing Costs*: I will leave it to the parties to recalculate the amounts due to the Claimants in light of the guidance given above. That will deal with costs up to the hearing on 3 May.
19. As to costs incurred in later periods, I propose to deal with them in this way. The Defendants in their written submissions of 7 July made an offer. If the overall amount recalculated as above is the same as or exceeds the amount of the offer, then the Claimants will be entitled to their post-hearing costs, but with the solicitors' hourly rates as above (though with no adjustment for counsel's fees). If the recalculated amount is less than the amount of the offer, however, then the Claimants will not be entitled to their post-hearing costs. In either event, the Defendants will not be entitled to any costs arising from their failed applications.

Time for Payment

20. Time for payment will be within 14 days of the handing down of this Judgment. The Defendants have had ample time to gather together the necessary funds. I do not consider that any longer period is justified.

Permission to Appeal

21. The Defendants also seek permission to appeal.
22. I will refuse permission to appeal. The proposed Ground of Appeal is that the earlier cases of Page v. Hewitts Solicitors [2013] EWHC 2845 and Lifestyle Equities C.C and Anor v. Sportsdirect.com Retail Limited [2016] EWHC 2092 (Ch) were wrongly decided. However, the case before me was argued on the basis that those cases were correctly decided, and no submissions were addressed to the Court as to why they might be wrong. On the contrary, the Defendants agreed with the Claimants that the claim advanced was not a *claim for money*.

23. A possible argument is now advanced. This is that Page and Lifestyle Equities failed to make a distinction between the remedy of an account generally (which may not be a claim for money), and the remedy of an account of profits (which always will be). Thus, it is said, a trade mark infringement action which includes a claim for an account of profits will invariably be a *claim for money*.
24. For my own part, however, I do not immediately see the validity of the distinction the Defendants now seek to draw, which was not explored before me; and I do not think it appropriate to give permission to appeal in respect of a point which was not, but could have been, argued.
25. The Defendants make the more general point, that an issue of public importance arises because the effect of the decisions in Page and Lifestyle Equities, taken together with my Judgment, is that the standard claim for trade mark infringement may be issued wherever the claimant may desire, irrespective of its value.
26. I think this rather overplays the position in practice. Even as regards a claim which is not a *claim for money* in the strict sense, the “*financial value*” of the claim, together with its complexity and the importance of the outcome, are relevant factors in determining where a claim may properly be commenced (see my earlier Judgment at [37], referencing PD7A, para. 2.4). A Claimant is not given *carte blanche*. And if the claim is commenced in an inappropriate forum, it is liable to be transferred elsewhere under the general provisions in CPR, Part 30.
27. For all those reasons, I will refuse permission to appeal.