O-078-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2200317
BY OWEN LEWIS RICHARDSON
TO REGISTER A TRADE MARK IN CLASS 7**

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER No. 50419
IN THE NAME OF ALOUETTE INNOVATION LIMITED**

DECISION

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1. I refer to my initial observations dated 6 January 2003.

2. As noted in paragraph 8 of those observations, I consider that I have no jurisdiction to increase the award of £700 made in favour of Allouette Innovation Limited ("the Opponent") by Mr. Allan James, Principal Hearing Officer, acting for the Registrar, in his decision of 11 March 2002.

3. As noted in paragraph 9 of those observations, I consider that I have the power to make an award of costs in favour of the Opponent consequent upon the abandonment by Mr. Richardson ("the Applicant") of his appeal against the Hearing Officer's upholding of the opposition against trade mark application number 2200317 under section 5(4)(a) of the 1994 Act.

4. Pursuant to paragraph 11(a) of those observations, the Opponent's representatives, Messrs. Hepworth Lawrence Bryer & Bizley (HLBB), informed me that the actual costs (ex VAT) incurred by the Opponent in connection with the appeal amounted to £1,088.33. That included HLBB considering the reasons given in Mr. James' decision of 11 March 2002, receiving and considering the Notice and Grounds for Appeal, liasing and advising the Opponent and liasing with the Treasury Solicitor. Detailed invoices were provided in support. HLBB estimated that the Opponent would incur further costs of £1000 in respect of its claim for the costs of the abandoned appeal and the collection of the costs finally awarded.

5. In addition to the costs described above, HLBB requested on behalf of the Opponent "compensatory costs" in the sum of £35,060.48. A witness statement of Richard Alexander Smith dated 10 February 2003 was filed in support. Mr. Smith states that he is the sole director and owner of the Opponent and explains that despite the favourable outcome obtained on the opposition, the Opponent desisted from advertising its DRILL-VAC products

for sale by mail order pending the final outcome of these proceedings because of a perceived "series of threats" to the Opponent's business contained in a letter from the Applicant's representatives, Messrs. Urquhart-Dykes & Lord (UDL) to HLBB dated 18 January 2000. In that letter UDL stated:

> "You will appreciate that our clients will not allow the above opposition to be used as a shield for your clients to indulge in activities that may ultimately be determined to be infringement of our clients' rights."

6. The Opponent's additional request is not in reality for compensatory costs in resisting this appeal but for damages for loss of business as a result of threats on which I make no comment. The Opponent must pursue any remedies it believes it may have in that regard elsewhere. I disallow the Opponent's request for "compensatory costs" in the sum of £35,060.48 and will say no more about it.

7. The Applicant challenged the Opponent's first item of costs, which the Applicant misread as £1,833 instead of £1,088.33. The Applicant says that since in the Opponent's own admission (see my Initial Observations at paragraph 10) nothing more than "pro forma grounds of appeal" were submitted, the Applicant fails to see how costs of £1,833 [sic] ex VAT were incurred. I agree with the Opponent that despite the brevity of the grounds of appeal, it was still incumbent on the Opponent to treat the appeal seriously and to consider its position and response with its advisers HLBB. However, the first step mentioned in HLBB's narrative – "considering the reasons given in the decision of the Hearing Officer dated March 11, 2002" – is a task that would have needed to be performed by HLBB irrespective of the bringing by the Applicant of the appeal.

8. On appeal it is customary for the Appointed Person to have regard to the practice of the Registry of using published scale figures as a norm, to be adopted or departed from as the case may require. With the present appeal, I do not consider it appropriate to depart from this custom despite the Opponent's suggestion that the "pro forma" nature of the grounds of appeal indicated that the appeal was spurious. Although they are short, the grounds indicate quite clearly that the Applicant intended to challenge on appeal, the Hearing Officer's conclusion on the evidence that the Opponent enjoyed at the relevant date, goodwill and reputation in the mark DRILL-VAC.

9. The Applicant's challenge to the £1000 "estimated costs" in HLBB's narrative is justified. It is apparent that those relate in the major part to the Applicant's claim for "compensatory costs" that I have held inappropriate to the present proceedings.

10. Mr. James awarded the Opponent a contribution of £700 towards the costs of its successful opposition. The Opponent chose not to be represented at that opposition and indicated likewise in respect of the appeal. In all the circumstances, I have come to the conclusion that £400 is a reasonable and proportionate sum to award to the Opponent in respect of the abandoned

appeal. I therefore direct that the Applicant pay to the Opponent that sum in respect of the appeal on a like basis to that ordered by Mr. James.

11. For completeness I record that pursuant to paragraph 12 of my Initial Observations, it was agreed that I should issue my decision on costs without recourse to a hearing.

Professor Ruth Annand, 10 March 2003