O-158-09

TRADE MARKS ACT 1994

SUPPLEMENTARY DECISION ON COSTS

**IN THE MATTER OF REGISTRATION NO 1363050
IN THE NAME OF HOKKO CHEMICAL INDUSTRY CO LTD
OF THE TRADE MARK:**

HOKKO CHEMICAL INDUSTRY CO.,LTD.

IN CLASS 1

**AND THE APPLICATION FOR REVOCATION
THERETO UNDER NO 82334
BY
HOKOCHEMIE GMBH**

Trade Marks Act 1994

Supplementary decision on costs

In the matter of registration no 1363050
in the name of Hokko Chemical Industry Co Ltd
of the trade mark:

HOKKO CHEMICAL INDUSTRY CO.,LTD.

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thereto under no 82334
by Hokochemie GmbH

1) I issued a decision in relation to the substantive matters between the parties on 27 April 2009 (BL O/106/09). In that decision Hokochemie GmbH was completely successful in its application for revocation. In that decision I wrote:

> "46) Owing to the cross-examination of Mr Ogawa I agreed at the hearing that the parties could make written submissions on costs consequent upon the issuing of the substantive decision. The parties are allowed one month from the date of this decision to make written submissions in relation to costs."

In his decision (BL O/158/08) in relation to an appeal re cross-examination of Mr Ogawa, Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

> "The question of how and by whom the costs of the request for cross examination at first instance and on appeal are to be borne and paid is reserved to the Registrar for determination at the conclusion of the proceedings in the Registry. The parties are directed to prepare separately itemised accounts of: (1) their costs and expenses of the request for cross-examination at first instance and on appeal; (2) their costs and expenses of progressing the request for cross-examination; and (3) their costs and expenses of participating in the requested cross-examination. The Registrar is directed to consider at the conclusion of the proceedings in the Registry whether and, if so, to what extent any costs and expenses itemised in such accounts should be the subject of a special order for costs in favour of the party by whom they were incurred."

2) Dr Munk furnished a list of his costs on 15 May 2009 which amounted to £12,138.92p. These included charging 200 Swiss francs per hour for his time, for flights and for hotel costs. He used an exchange rate of a Swiss franc being worth 60p.

3) The registrar has a published scale of costs; this allows parties a reasonable degree of certainty as to the maximum for which they are likely to be liable, and how much they are likely to recover. The scale of costs is a contribution to costs, it is not meant to be recompense for costs incurred. The scale is part of a system which tries to ensure that the Intellectual Property Office runs a low cost tribunal, in order that parties are not excluded because of limited financial means. The scale of costs allows leeway in the amount that is awarded to reflect the amount of work that has gone into the preparation of a case. It is only in exceptional circumstances that the registrar will award costs outwith the scale; to do otherwise would be to defeat the purpose of the scale. The relevant scale of costs in this case is that outlined in Tribunal Practice Notice TPN 2/2000 (which can be found at http://www.ipo.gov.uk/pro-types/pro-tm/t-law/t-tpn/t-tpn-2000/t-tpn-22000.htm).

4) It is not the norm for the registrar to award costs in relation to travelling costs, hotels or travelling time; other than for a witness who is being cross-examined. These are part of the normal costs that any party will expend in the conduct of a case and so are subsumed in the scale of costs. I can see no reason to award off the scale costs in respect of this matter to HG. Dr Munk's expenses were higher than the norm because he lives outside of the jurisdiction, I cannot see that to form a basis for awarding costs off the scale; that would be to favour those outside of the jurisdiction. HG could have instructed representatives in the United Kingdom, it decided to be represented by Dr Munk, its managing director who lives outside of the jurisdiction. Dr Munk is looking for compensation at what he considers his hourly rate of payment. However, that rate is not what he is paid as a legal representative, it is as the managing director of a chemical company.

5) Other than the cost of Mr Ogawa coming from Japan there is nothing unusual about this case, nothing that suggests that there should be a departure from the scale. The cross-examination of Mr Ogawa was, it proved, relevant and did cast light upon the statements that he and others had made on behalf of Hokko Chemical Industry Co Ltd (Industry). Consequently, I would not have awarded costs in relation to Mr Ogawa's costs. However, the representative of Industry stated in a letter of 21 May 2009 that he was not seeking to claim any costs in favour of Industry. In the same letter the representative asked, in the light of my decision against them, whether it would be necessary to go to the expense of filing details of costs incurred by Industry. I wrote to the representative, on 27 May 2009, stating that in view of the comments in the letter that this would be without purpose. In the same letter from the representatives of Industry, I was referred to the decision of Mr Richard Arnold QC, sitting as the appointed person, in BL O/160/08 where he stated:

> "34. The Registrar is not bound by the CPR. On the other hand, the Registrar is entitled to, and does, have regard to the CPR in exercising his powers in circumstances where the Trade Marks Act 1994 and Trade

Marks Rules 2000 do not make specific provision. Section 68 of the 1994 Act and rule 60 of the 2000 Rules give the registrar discretion to "award to any party such costs as she may consider reasonable", but do not place any constraints upon the exercise of that discretion. I agree with Mr Thorley that (i) an award of costs should not exceed the costs incurred and (ii) a litigant in person should not be in any more favourable position in proceedings in the Registry than he would be in High Court proceedings under CRP r. 48.6. So far as the first point is concerned, I note that paragraph 8 of TPN 4/2007 now states:

Depending on the circumstances the Comptroller may also award costs below the minimum indicated by the standard scale. For example, the Comptroller will not normally award costs which appear to him to exceed the reasonable costs incurred by a party.

35. Turning to the second submission, I agree with counsel for the opponent that the hearing officer appears to have misapplied CPR r. 48.6 and to have awarded the applicant two-thirds of the scale costs he would have awarded a professionally represented litigant without reference to the applicant's actual loss or any figure calculated in accordance with r. 48.6(4)(b).

36. In my judgment the approach which should be adopted when the Registrar is asked to make an award of costs in favour of a litigant in person is as follows. The hearing officer should direct the litigant in person pursuant to r. 57 of the 2000 Rules to file a brief schedule or statement setting out (i) any disbursements which the litigant claimed he has incurred, (ii) any other financial losses claimed by the litigant and (iii) a statement of the time spent by the litigant in dealing with the proceedings. The hearing officer should then make an assessment of the costs to be awarded applying by analogy the principles applicable under r. 48.6, but with a fairly broad brush. The objective should be to ensure that litigants in person are neither disadvantaged nor overcompensated by comparison with professionally represented litigants."

The registrar has the inherent power to regulate his own affairs[1]. Subsequent to the decision of Mr Arnold the registrar has adopted a practice in trade marks

[1] *Pharmedica GmbH's Trade Mark Application* [2000] RPC 536, Pumfrey J:

"Notwithstanding the fact that the Registrar is, like the County Court, a tribunal which is established by statute, I have no doubt that the Registrar has the power to regulate the procedure before her in such a way that she neither creates a substantial jurisdiction where none existed, nor exercises that power in a manner inconsistent with the express provisions conferring jurisdiction upon her.

I consider that these propositions follow from what Lord Donaldson of Lymington, Master of the Rolls, said in *Langley's* case at page 613:

cases of awarding parties without legal representation one half of the scale rate, unless there are exceptional circumstances. As I have indicated above, I cannot see anything which makes this an exceptional case, other than the presence of Mr Ogawa from Japan, for which no costs are being awarded. Consequently, I am awarding HG costs at one half of the rate that a party with legal representation would have received. I have, however, owing to the nature of the evidence and the additional evidence that was filed by Industry, awarded costs at the top end of the scale.

6) I have decided to award costs to HG on the following basis:

Official fee	£200
Statement of grounds	£150
Considering statement of case in reply	£100
Interlocutory hearing re request for cross-examination	£125
Appeal hearing	£125
Preparing and filing of evidence	£750
Considering evidence of registered proprietor (the need to consider additional evidence has been taken into account)	£750
Preparation and attendance at hearing	£750
Filing breakdown of costs	£20
Total	£2,970

"Although there is no statutory authority for making local practice directions, none is needed because every court has inherent jurisdiction to regulate its own procedures, save in so far as any such direction is inconsistent with statute law or statutory rules of court. It is no doubt for this reason that County Court Rules 1981 Ord 50, r 1 empowers the Lord Chancellor to 'issue directions for the purpose of securing uniformity of practice in the country courts'."

It is to be observed that there is no distinction, for these purposes, between the jurisdiction of the County Court (which is entirely statutory) and that of the Registrar of Trade Marks (which is also entirely statutory)."

7) I order Hokko Chemical Industry Co Ltd to pay Hokochemie GmbH the sum of £2,970. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

The appeal period in relation to the substantive decision will run in parallel with the appeal period in relation to the decision on costs, as stated in the substantive decision.

Dated this 9th day of June 2009

David Landau
For the Registrar
the Comptroller-General