

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 2515703
BY SUMITOMO RUBBER INDUSTRIES LIMITED TO REGISTER THE TRADE MARK
DUNLOP
IN CLASSES 35 & 37**

**AND
IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 99615 BY BTR INDUSTRIES LIMITED and DUNLOP
INTERNATIONAL LIMITED**

SUPPLEMENTARY DECISION

1) On 6 August 2014 I issued decision O-349-14 in which I found in favour of Sumitomo Rubber Industries Ltd (the applicant). At the hearing it was agreed that the decision would be issued and that both parties would then have the opportunity to provide written submissions on costs.

2) Both sides have provided comments. For ease of reference I shall refer to the opponents in the singular. The applicant pointed out that:

- a) When the opposition was filed in October 2009 the opponent relied upon 12 registered marks under its section 5(2)(b) ground. Of these, eleven had been registered for more than five years and when the opponent was put to proof of use it abandoned the opposition in relation to nine of the earlier rights. It is claimed that there were wasted costs in relation to this change.
- b) In February 2012 the opponent amended its pleadings to include section 5(4)(b) in relation to contractual rights. The Registry initially refused this pleading and only accepted it after an interlocutory hearing following which the Hearing Officer stated that he was “extremely doubtful” that the ground had any realistic prospect of success and warned the opponents that “there are likely to be adverse cost implications for the opponent”.
- c) Following this hearing the opponent amended its pleading to include an additional ground of opposition under section 3(6), based upon the contract between the two parties.
- d) The applicant requested further particularisation of the pleadings on 14 June 2012 and also signalled its intention to seek costs off the scale on 20 June 2012, as it described the 5(4)(b) ground as hopeless.
- e) By a letter dated 10 January 2013 the main hearing was set for 31 January 2013. On 16 January 2013 the opponent sent a letter informing the applicant that Dunlop International Limited had acquired the earlier marks relied on by BTR Industries Ltd. On 24 January 2013 the opponent informed the applicant that they

were replacing BTR Industries Ltd in all grounds of opposition save for the 5(4)(b) ground, and confirmed that it accepted liability for the costs of the proceedings in the event that the opposition was unsuccessful. At this stage the case became a joint opposition.

- f) Four working days prior to the hearing the opponent sought to file additional evidence in relation to use of its trade marks and also sought to cross examine Mr Hanya and the applicant's Trade Mark Attorney. The opponent also sought an adjournment, which was refused.
- g) At the main hearing the cross examination request was granted and so the hearing was adjourned. When the main hearing was reappointed, approximately one year later, Mr Hanya was cross examined and found to be a credible and truthful witness. The questions asked of Mr Hanya were not of assistance in reaching a decision as they related to pre-contract negotiation emails which were not relevant to the interpretation of the agreement. The applicant points out that the agreement referred to by Mr Hanya in his cross examination had been referred to in an amended counterstatement (at paragraph 6.1).

4) In the light of the above, the applicant seeks costs off the normal scale and has supplied a breakdown of the costs involved at each stage of the case. These total £79,141.24.

5) The opponent contends that its behaviour throughout the case has been reasonable and therefore the principles set out in TPN4/2007 have not been breached. The opponent contends that the original main hearing could have taken place without the cross examination if the applicant had not placed such emphasis upon Mr Hanya's evidence in its skeleton argument and oral submissions. The opponent contends that the re-examination of Mr Hanya was "extremely leading" in order to introduce into evidence an additional agreement between the parties which merely added to the costs of both sides. The opponent also points to the additional evidence filed by the applicant relating to assignments of marks in Norway and Sweden which were then not referred to in the cross examination and formed no part of the decision.

6) This was essentially a contractual dispute. The pleading under section 5(4)(b) was, as the Hearing Officer at the interlocutory hearing indicated, untenable. The grounds of opposition under section 3(6) and 5(2)(b) all rested upon the interpretation of the agreements between the parties, and their predecessors. The cross examination of Mr Hanya did not assist me in my decision and caused delay and additional costs. Clearly, at the heart of this case is a standard trade mark dispute (albeit contractual) which parties must expect and where the winner would only receive a contribution towards its costs. In this case there was some unreasonable behaviour by the applicant in filing evidence in relation to Norway and Sweden, but the opponent was the major offender. It is not unusual for an opponent to initially rely upon a large number of marks and then to hone them down during the course of the opposition and so I do not criticise this aspect of the opponent's case. However, the 5(4)(b) ground was untenable and the section

3(6) ground, which is an extremely serious allegation, was based upon sand, or, at best, loose gravel. I also regard the cross examination of Mr Hanya as being unjustified, and led to the postponement of the original hearing and additional costs.

Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering the evidence of the other side	£1200
Interlocutory hearing costs	£3,000
Original hearing costs	£4,500
Preparing for and attending the final hearing	£1,300
Cross examination costs	£4,500
TOTAL	£14,800

30) I order BTR Industries Ltd and Dunlop International Ltd to jointly pay Sumitomo Rubber Industries Ltd the sum of £14,800. This sum 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 parties have 28 days from the date of this decision to appeal the substantive decision issued earlier or this costs decision.

Dated this 7th day of October 2014

**George W Salthouse
For the Registrar,
the Comptroller-General**