

# O-689-18

TRADE MARKS ACT 1994  
IN THE MATTER OF APPLICATION NO 3176071  
BY MATTRESS FIRM, INC.  
TO REGISTER THE TRADE MARK SLEEP HAPPY IN CLASS 35  
AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 408190 BY DREAMS  
LIMITED

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## DECISION ON COSTS

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### Introduction

1. This is an application by the respondent to an appeal brought by the opponent/appellant (“appellant”) to the registration of the mark SLEEP HAPPY in class 35 under section 5(2)(b) of the Trade Marks Act 1994.
2. The opposition and appeal were withdrawn at a late stage and the respondent contends that it should have its costs of the appeal.

### Background

3. The hearing was scheduled for 1 August 2018 and the respondent confirmed its intention to attend the hearing. The respondent submitted its skeleton arguments two working days beforehand. At that stage, the appellant had not confirmed who would be attending the scheduled hearing. Some time after the deadline by which the skeleton arguments should have been submitted, the appellant wrote to the parties to state that the appeal was withdrawn with immediate effect.
4. In the circumstances, I invited written submissions on the costs of the appeal and indicated that I would provide a decision on the papers, which the parties accepted.

### The application for costs

#### *Respondent’s arguments*

5. The respondent says that it has incurred unnecessary costs in connection with the preparation of a response to the appeal that was not ultimately required. In particular, the respondent refers to the costs incurred in connection with reviewing the Notice of Appeal; filing the Respondent’s Notice; preparing for the hearing including drafting a

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Skeleton Argument. The respondent submits that it was “very cynical” for the appellant to have waited until several hours after the point at which the skeleton arguments should have been submitted before withdrawing the appeal and the respondent accordingly requests an award of costs in its favour.

### *Appellant’s arguments*

6. In response, the appellant notes that the respondent has not requested an off-scale cost award and that costs should be awarded according to the scale normally awarded in the Registry. It refers to a previous decision indicating that, in any event, late withdrawal of an appeal is not sufficient to merit award off-scale costs (O-097-17 UK Trade Mark Application Nos 3011060 glo glu and 3018068 GLO GLU). The appellant also submits that the amount of evidence and arguments filed by both parties in the appeal proceedings was very limited namely 21 pages in total for the Notice of Appeal (with only 7 of the pages being made up of the TM55P and written submissions, the other pages a copy of a supporting case). The respondent’s notice of 31 May 2018 was 3 pages long and 3 pages of skeleton arguments were filed on 30 July 2018 (with a decision setting out the principles applicable to review on appeal). The respondent therefore submits that any costs award made should be proportionate to the relatively minor volume of submissions which, it submits, would not have taken a significant amount of time to review and respond to. It rejects the submission that the timing of withdrawal of the appeal was cynical and points out that costs were saved in attending the hearing.

### **Discussion**

7. In my view this is not a case in which off scale costs would be appropriate. Although the appeal was withdrawn at the last minute, more than that is required for such an award to be justified. Moreover, the fact of withdrawal, even though late, saved the parties the costs and uncertainty of the appeal. Having reviewed the decision and the appeal documents, this appeal was not a complex one. The central point was whether the hearing officer had erred in considering that the opponent’s prior mark (which was principally for a logo for of the words “the bed people” including below it a strap line including the words “Save money. Sleep happy”) did not form a basis for opposing registration of “SLEEP HAPPY” under section 5(2)(b) of the Act. This was a short point.

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8. The hearing officer awarded the respondent £800 in costs below including (in addition to a sum for reviewing of evidence) £200 for preparing a statement and considering the other side's statement and £300 for written submissions. In my view, similar sums are appropriate under these heads on this appeal (i.e. excluding an award for review of evidence) but with an additional award of £100 in respect of time spent in preparing for the hearing, which was not necessary below since the decision was made on the papers.
  
9. Accordingly, I award the respondent **£600** in costs of the appeal which should be paid in addition to the costs of the opposition below within the time provided by that decision.

DANIEL ALEXANDER QC

Appointed Person

29 October 2018