BL O-699-18

TRADE MARKS ACT 1994

TRADE MARK APPLICATIONS
3164900, 3164894, 3164898, 3193781 AND 3164895

BY
MANPOWER DIRECT (UK) LTD

AND

OPPOSITIONS
407382, 407384, 407386, 408222 AND 407383

BY
MANPOWERGROUP INC.

Background

1. On 20 September 2018, I issued a decision on behalf of the Registrar in these consolidated proceedings and concluded the following:

> **"172. The oppositions succeed in respect of all five applications 3164900, 3164894, 3164898, 3193781 and 3164895 for all of the services for which they were applied."**

2. With regard to costs I stated:

> "174. Both parties have asked for an award of costs in their favour. However, at the hearing a request was made and agreed by both sides, to reserve submissions on costs. I agreed.
>
> 175. Therefore, I invite the parties to provide, within 28 days of the date of this decision, submissions with regard to costs."

The parties' submissions on costs

3. I received submissions from the applicant indicating that in its view each party should bear its own costs or, in the event of a cost award being deemed appropriate, that costs should be limited to the scale and should be awarded as if for one case (due to the fact that all of the cases were consolidated). The applicant concluded that costs should not exceed £300 for preparing and reading the statement of case, £750 for preparing evidence and £1600 for attendance at the hearing.

4. In essence, the reasons provided for the applicant's position are as follows:

- The opponent's decision not to pursue bad faith grounds was communicated late in the day.

- The opponent's pleadings under 5(3) relied on three heads of damage but only one was pursued at the hearing.
- Some findings in the decision regarding similarity of goods and services were decided in the applicant's favour.
- The applicant had attempted to negotiate with the opponent.

4. The opponent has also filed submissions in which it states that it has incurred legal fees amounting to £73,809. A breakdown of those costs has been provided. It submits that the Registrar has discretion to award costs 'off the standard scale' where the amount of work was large or where the party against whom costs are to be awarded has acted unreasonably in the conduct of the case. In brief, the reasons for its request are as follows:

- Whilst five cases were heard together, the amount of work involved was greater than if there had only been one application.
- There were differences between the marks and specifications at issue in the five cases.
- UKTM3193781 was applied for later, requiring supplementary submissions.
- The applicant filed its applications in response to the opponent's letter before action and was "clearly trying to shift the opponent's focus from pursuing an infringement claim to dealing with oppositions."
- The applicant's parallel EU applications were filed for tactical reasons: it does not trade outside the UK.
- The applicant ignored letters before action.
- The applicant amended its specifications but did not inform the opponent. The opponent's submissions referred to the longer specifications and resulted in additional unnecessary work.
- The applicant's request for proof of use was misguided. The opponent felt it had to respond which resulted in an additional witness statement and exhibits being filed.
- The applicant pursued erroneous arguments such as the opponent's standing, the fact that the opponent did not have a licence or accreditation from the Security

Industry Authority and sought to rely on the defences of laches, estoppel and waiver.

The law

5. There is no doubt that the Registrar has the power to award reasonable costs. Rule 67 of the Trade Mark Rules 2008 provides the following:

> **Costs of proceedings; section 68**
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> **67.** The registrar may, in any proceedings under the Act or these Rules, by order award to any party such costs as the registrar may consider reasonable, and direct how and by what parties they are to be paid.

6. The Registrar normally awards costs on a contribution basis within the limits set out in the published scale. The latest version of the scale is included in Tribunal Practice Notice 2/2016.

7. With regard to cost awards in excess of the scale, the opponent reminded me of the well-known *Rizla* decision,[1] in which the court accepted that the registrar has the power to award costs on a compensatory basis. Anthony Watson QC, sitting as a deputy judge, stated that:

> "As a matter of jurisdiction, I entertain no doubt that if the Comptroller were of the view that a case had been brought without any bona fide belief that it was soundly based or if in any other way he were satisfied that his jurisdiction was being used other than for the purpose of resolving genuine disputes, he has the power to order compensatory costs. It would be a strange result if the Comptroller were powerless to order more than a contribution from a party who had clearly abused the Comptroller's jurisdiction.

[1] Rizla Ltd's Application [1993] RPC 365 at 377.

> The superintending examiner in his decision correctly, in my view, framed the issue he had to decide as: '…whether the conduct of the referrer constituted such exceptional circumstances that a standard award of costs would be unreasonable.'"

Tribunal Practice Notice 2/2000 states that Hearing Officers will be prepared to exceed the usual scale of costs when circumstances warrant it, in particular, but not exclusively, to deal proportionately with breaches of rules, delaying tactics and other unreasonable behaviour.

The applicant's request that the parties should bear their own costs

9. The first reason provided by the applicant is that the opponent elected not to pursue its opposition on bad faith grounds very late in the proceedings. The case under section 3(6) was brought against some terms in the applicant's specifications, such as 'tarot reading', which the opponent claimed the applicant had no intention to use. The applicant made amendments to its specifications fairly near the beginning of these proceedings and could easily have corrected the opponent's obvious misunderstanding on this point. In any case, once the opponent became aware that amendments had been made by the applicant to remove the contested terms the ground was dropped without delay. Since the applicant already knew that the 3(6) ground could not be in play, due to the limitations it had filed, I fail to see how it was subject to any undue prejudice.

10. The second point the applicant makes is that the opponent's pleadings under s. 5(3) relied on three heads of damage but only one of these was pursued at the hearing. In my experience it is not unusual for a party to plead the full extent of its case at the outset and then focus its attack more narrowly once all of the evidence has been filed I find the opponent's handling of its case to be entirely reasonable. This submission does not assist the applicant.

11. The third reason advanced by the applicant is that some findings in the decision regarding similarity of goods and services were found in the applicant's favour. Substantive decisions include numerous considerations by the hearing officer, some of which may go in favour of the party who is ultimately unsuccessful when all of the relevant factors have been considered. In this case I concluded that the opponent succeeded in full in respect of five oppositions and it is this conclusion which determines the apportioning of any costs award.

12. The fourth reason advanced by the applicant is that the applicant had attempted to negotiate with the opponent. The fact that the opponent chose not to negotiate a settlement but to continue with the opposition proceedings is not something that persuades me to decline an award of costs in the opponent's favour. It is clear from the papers before me that the opponent made first contact with the applicant via cease and desist letters which pre-dated the filing of these applications. In any event, the opponent elected to continue its oppositions against five applications and has succeeded in full. It is, therefore, entitled to a costs award. Nothing advanced by the applicant persuades me otherwise.

The opponent's request for costs above the usual scale

13. I now turn to the opponent's request for costs above the usual scale. The opponent submits that the applicant's parallel EU applications were filed for tactical reasons and points to the fact that it does not trade outside the UK. This is the opponent's opinion rather than fact and, in any case, the applicant's EU trade marks are not relevant to these proceedings.

14. The opponent further submits that the applicant filed its applications in response to the opponent's letter before action and concludes that the applicant was "clearly trying to shift the opponent's focus from pursuing an infringement claim to dealing with oppositions." This is the opponent's opinion and does not deal with the relevant issue

which is the applicant's behaviour during these proceedings, which the opponent submits is grounds for a costs award above the scale.

15. The opponent states that the applicant ignored its letters before action. The applicant elected to continue with its applications, a decision it was entitled to take. It has subsequently lost the oppositions filed against the applications. This is not sufficient in and of itself to justify an award of costs above the usual scale.

16. The remaining reasons provided by the opponent in support of its request for costs above the usual scale amount to less than efficient handling of its case by the applicant. These include, inter alia, the applicant amending its specifications but not informing the opponent, the applicant making an invalid request for the opponent to prove use of the applicant's services and the pursuit of defences such as laches, estoppel and waiver, which were not relevant.

17. However, as stated in *Rizla,* the question is whether *"the behaviour in question constituted such exceptional circumstances that a standard award of costs would be unreasonable."* This must be assessed taking into account all the relevant factors.

18. The applicant's behaviour in this case does not warrant an award of costs above the usual scale. The applicant has not breached the rules of this tribunal, nor has it engaged in obvious delaying tactics. In terms of its conduct during these proceedings and the way in which the applicant has chosen to run its defence, I do not find there to be any reasons to conclude that the applicant's behaviour constitutes an exceptional circumstance such that a standard award would be unreasonable.

19. That said, whilst the applicant's behaviour does not warrant an off-scale costs award in favour of the opponent, it has led to additional work for the opponent such as responding to the applicant's invalid request for proof of use in respect of security services, which necessitated the preparation and filing of a further witness statement and exhibits.

20. Furthermore, I agree with the opponent that whilst five cases were consolidated and heard together, the amount of work involved was greater than if there had only been one application, due to the discrepancies between the marks, filing dates and proof of use periods.

21. Accordingly, an award at the higher end of the scale is appropriate. I award costs on the following basis, taking account of the fact that there are some areas of duplication in the pleadings, evidence and submissions:

Official fees for five oppositions:	£1000
Preparing the notices of opposition and considering the counterstatements:	£1200
Preparing evidence and considering the other sides' evidence:	£2000
Preparing for and attending a hearing:	£1600
TOTAL:	£5800

22. I order Manpower Direct (UK) Ltd to pay Manpower Group Inc. the sum of £5800. These costs should be paid within 14 days of the date of this decision or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Status of this decision

23. This is a final decision. The period for appeal against my substantive decision (dated 20 September 2018) and this supplementary decision on costs starts from the date shown below.

Dated this 6th day of November 2018

Al Skilton
For the Registrar,
The Comptroller-General