BL O/0349/23

DECISION ON COSTS

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. UK00003827607
BY ZARAMBER SLEEPWEAR LTD TO REGISTER AS TRADE MARKS:

CHRISTIES NIGHTWEAR

CHRISTIES NIGHTWEAR LONDON

CHRISTIES SLEEPWEAR
(SERIES OF THREE)

IN CLASS 25

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO.
OP000438381 BY WELSPUN UK LIMITED

BACKGROUND

1. On 8 September 2022, Zaramber Sleepwear Ltd ("the applicant") applied to register the series of trade marks shown on the cover page of this decision in respect of the following goods below in class 25. The trade marks were published in the Trade Marks Journal on 30 September 2022.

> Class 25: Ladies nightwear, ladies sleepwear, ladies pyjamas, ladies nightgowns, ladies victorian nightwear, ladies cotton nightwear.

2. On 24 November 2022, Welspun UK Limited ("the opponent") filed a notice of threatened opposition. A notice of opposition and statement of grounds were filed by the opponent on 30 December 2022 and sent to the applicant on 3 January 2023. On 4 January 2023, the applicant requested the withdrawal of its application by email. In an official letter dated 10 January 2023, the Registry confirmed the withdrawal of the application to both parties. On 18 January 2023, in an email to the Registry, the opponent made a request for costs. On 23 January 2023, in an official letter the Registry invited both parties to make comments on costs by 6 February 2023.On 26 January 2023, in an official letter, the Registry prematurely issued a £300 award to the opponent. On 27 January 2023, in an official letter to both parties, the Registry recognised that it had prematurely awarded costs and gave both parties a further 14 days to file comments. On 27 January 2023, the applicant had a telephone conversation with the Registry where the applicant stated that he used the link at the bottom of the examiner's letter to withdraw his application at some point between the end of November and the beginning of December 2022. On 27 January 2023, the applicant contacted the Registry via email where he expressed his frustration with the process and stated that in December 2022 he notified the Registry of the intention to withdraw the application. He also stated that he never received a response. In addition, the applicant states he had contacted the Registry and was informed no costs were to be awarded as the application never reached the formal stage in the proceedings. It was suggested by the applicant that there may have potentially been technical issues with the link which affected the notification being received and that the matter should be closed and costs not be awarded.

3. On 2 March 2023, the UKIPO IT Team were asked to investigate whether there was any evidence that the link was used to withdraw the application. The search was conducted

from November to December, in order to cover the dates specified by the applicant. The IT team confirmed that there was no evidence that the link was used to withdraw the application.

4. In an official letter, dated 15 February 2023, the Registry sent a preliminary view that an award of £300 is to be paid by the applicant to the opponent as a contribution towards costs. In addition, the letter confirmed that the internal IT team was unable to confirm that a withdrawal from the applicant via a link had been received. On 7 March 2023, the applicant requested a Case Management Conference (CMC) to discuss the costs award.

CMC

Representation

5. A Case Management Conference ("CMC") took place before me, by telephone conference, on 29 March 2023. The CMC was attended by Ms Sarah Williams of Walker Morris on behalf of Welspun UK Limited ("the opponent"). Zaramber Sleepwear Ltd ("the applicant") was represented by someone referring to himself as Ameet. He did not provide a surname; therefore, I will refer to him as Ameet throughout the decision.

CMC discussion

6. I asked the applicant to clarify who withdrew the application, and when and how the application was withdrawn. The applicant stated that he withdrew the application at the end of November via the Registry reply function. The applicant stated that as there was no option to select a reply to the Registry on the letter received on 24 November 2022, therefore, he responded using the reply function on the confirmation that its mark was published in the Journal in September 2022. In addition, the applicant withdrew its application via email on 4 January 2023.

7. I asked the applicant whether or not he had any evidence that he had withdrawn the application, in the form of an email for example. The applicant stated that he had no evidence that this had taken place. Ameet submitted that the applicant should not be required to pay a costs award because it withdrew its application before the TM7 was filed. He submitted that there was a clear intention not to engage in any contentious proceedings concerning any of the marks the applicant was registering.

8. Ms Williams submitted that this matter is mainly seen as a matter between the applicant and the Registry. Ms Williams stated that the application was not withdrawn until after the TM7a and the TM7 were filed. As a result, the opponent incurred costs in opposing the application and it requested costs to be awarded following the application being withdrawn. Ms Williams also noted that further costs are being incurred by the opponent in attending the CMC. In addition, Ms Williams submitted that when you click respond to the reply link provided by the Registry an email is generated confirming that the submission was sent to the IPO. In light of this information, Ameet started to look through his emails during the hearing to identify the email. However, he was unable to locate the email. I offered the opponent time following the hearing to submit the email confirmation, but the applicant confirmed that it did not want additional time to locate the email.

9. The opponent requested costs on the normal scale. Although invited to do so, the applicant declined to provide a breakdown of its time spent preparing for the CMC.

DECISION

10. Section 68 of the Trade Marks Act 1994 ("the Act") states:

> "(1)Provision may be made by rules empowering the registrar, in any proceedings before him under this Act—
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> (a)to award any party such costs as he may consider reasonable, and
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> (b)to direct how and by what parties they are to be paid.
>
> (2)Any such order of the registrar may be enforced—
>
> (a)in England and Wales or Northern Ireland, in the same way as an order of the High Court;
>
> (b)in Scotland, in the same way as a decree for expenses granted by the Court of Session.
>
> (3)Provision may be made by rules empowering the registrar, in such cases as may be prescribed, to require a party to proceedings before him to give security for costs, in relation to those proceedings or to proceedings on appeal, and as to the consequences if security is not given.

11. Rule 67 of the Trade Mark Rules 2008 provides that:

"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."

12. The Manual of Trade Marks Practice stipulates the following:

"5.1 Liability for costs

A party to proceedings before the Tribunal may incur a liability for costs. It is impossible to give precise guidelines on an exact award of costs as this will be dependent on the circumstances. It is established practice that the Tribunal uses an official scale. The scale reflects a variable amount for the preparation, filing and examination of forms; compilation of evidence; research and investigation; letters and for representation at hearings. In the evidence stages the scale gives a range for the award, which will depend on the amount and relevance of the evidence filed.

If resulting decisions are appealed then further costs may be incurred.

Any award is unlikely to reimburse the total cost of the proceedings as the award is regarded as contributory rather than compensatory. This is in line with the policy objective to provide a low-cost Tribunal by which no-one should be deterred from seeking, protecting or defending their intellectual property rights.

5.4 The request for costs

A statement or counter-statement will usually include a claim for an award of costs. Nevertheless, if the statement or counter-statement does not include a claim the Tribunal will still consider making an award to the successful party. However, in proceedings concluded without reaching a final decision, the Tribunal will only consider making an award if a specific request is made to it within a reasonable time. Costs will not usually be awarded until both parties have had the opportunity to comment. If a request for costs is received, within a reasonable time, the other party in the dispute will be sent a letter informing them of the claim and inviting comments. They will be allowed 14 days from the date that notification of the claim is sent to them by the Tribunal. If by this date a response has not been received the award will be decided from the papers on file.

5.8 Notification of the intention to commence proceedings

If the first a party receives of the action against their mark is the receipt of the notification that proceedings have been launched and the application is subsequently withdrawn, or the mark surrendered, before a counter-statement is filed, the Tribunal will decline to make any award at all.

However, if the applicant files a counter-statement this will be taken as an intention to defend the attack. If the application is then withdrawn or the registration is voluntarily cancelled a deduction will not usually be made to any costs award.

If as a result of a failure to maintain a current address with the Tribunal a party does not receive a communication from a prospective adversary and an attack is then launched without warning and disposed of other than by a hearing, the Tribunal is likely to consider that there should be an award of costs.

Where an award of costs is to be decided without a hearing on the question, the parties may provide examples of correspondence, evidence or other matter to support their position (such as a letter proving that warning was given of the impending action)."

13. When considering the question of costs and reasonable notice, I am guided by Tribunal Practice Notice ("TPN") 6 of 2008:

"**The need to provide reasonable notice**

3. As from 3 December 2007, costs are not usually awarded against rights holders or applicants who do not defend an action brought without prior notice. This practice still applies to trade mark revocation and invalidation proceedings and to opposition proceedings where, under the new Trade Marks Rules 2008 ("the rules"), the opponent files an opposition without having previously filed a Notice of Threatened Opposition on Form TM7a, or otherwise given the applicant prior notice of the impending opposition.

4. However, as the Registrar copies Notices of Threatened Opposition to applicants, the UK-IPO accepted, in 'The Response to the Consultation on the new Trade Mark Rules', that the act of filing Form TM7a would usually be considered as giving the applicant an opportunity to withdraw the application before any formal opposition was filed. "

14. The effect of the above provisions is that if the first notification a party receives of an opposition is the filing of a Form TM7, and the application is subsequently withdrawn, no costs will be awarded. However, where an opponent gives prior notice of an opposition (by filing a Form TM7a), the applicant has an opportunity to withdraw the application before proceedings are launched. If the applicant chooses not to take that opportunity, then it risks being liable for costs. The key question in this case is, therefore, whether the applicant withdrew its application before or after the TM7 was filed.

15. As noted above, I offered the applicant the opportunity to submit a copy of the email confirmation that it should have received following the withdrawal of the application by link. I offered the applicant 7 days following the CMC to provide this evidence. Ameet responded that the applicant would not like the additional time and would rather address the issue now, without any further delay. I also note that there is no evidence to corroborate the claim that the submission was made via the link, despite a search of the system by the IT team during the period when the applicant claims to have submitted the withdrawal. In regard to any potential technical issue, the applicant did not raise any concern with its IT system, nor am I aware of any technical issue experienced by the Registry during that time that may have affected the reply link function.

16. On balance, and taking the parties' submissions into account, I am not satisfied that the application was withdrawn prior to the TM7 being filed. Bearing in mind the overriding objective (which is to ensure fairness to both parties) I consider it appropriate to make an award of costs against the applicant.

17. The Registry's preliminary view was to award the opponent costs of £300, being £200 for filing a Notice of opposition and £100 for the official fee. I uphold the Registry's preliminary view. Further, as the opponent has incurred additional costs of attending the CMC, I consider it appropriate to make an additional award in respect of that attendance.

18. I award the opponent the sum of £500, based on Tribunal Practice Notice 2/2016, calculated as follows:

Preparing a statement and considering the other side's statement	£200
Official fee	£100
CMC attendance	£200
Total	**£500**

19. I, therefore, order Zaramber Sleepwear Ltd to pay Welspun UK Limited £500. The sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 6th day of April 2023

A KLASS

For the Registrar