

O-047-10

TRADE MARKS ACT 1994

**IN THE MATTER OF AN APPLICATION BY MINT PARTNERS LIMITED FOR AN
AWARD OF COSTS AGAINST THE ROYAL BANK OF SCOTLAND GROUP PLC,
CONSEQUENT UPON THE WITHDRAWAL OF TRADE MARK APPLICATION
2409711**

**In the matter of an application
by Mint Partners Limited
for an award of costs
against The Royal Bank of Scotland Group plc,
consequent upon the withdrawal of Trade Mark Application 2409711.**

Background

1. I shall set out the background in some detail as it will become clear that much of the opponent's claim in this matter relates to unreasonable behaviour on the part of the applicant. It is therefore necessary to give as much of the factual background as may be relevant.
2. Trade Mark Application 2409711 was filed on 21st December 2005 in the name of The Royal Bank of Scotland Group plc (hereafter "RBS"). The mark applied for is as below:

CLEVER MINT

The goods and services applied for were as follows:

Class 09:

Charge cards, cash cards, bank cards, cheque cards, credit cards, debit cards; magnetically encoded cards for carrying data; multifunction cards for financial services; ATM (Automated Teller Machine) cards, access cards, identification cards, integrated chip cards and pre-paid cards and supporting systems related thereto; ATM machines, point of sale card readers; computer software; computer software and publications in electronic form supplied on-line from databases or from facilities provided on the Internet (including web pages and web sites); computer software and telecommunications apparatus (including modems) to enable connection to databases; parts and fittings for all of the aforesaid goods; hand-held devices for payment and value exchange services and other personal information services, remote access services; data carriers; computer software for the provision of credit card services, mortgage services, banking services and financial services; computer software to enable the searching of data relating to the foregoing; publications, newsletters, magazines, periodicals, pamphlets and leaflets, all in electronic form supplied on-line from databases or from facilities provided on the Internet (including web sites); publications, newsletters, magazines, periodicals, pamphlets and leaflets, all in digital or electronic format or provided by CD-ROM or diskette.

Class 36:

Financial services; credit card, debit card, charge card, cash card and bank card services; banking services; mortgage services; monetary transfer; payment services; automated banking services; bill payment services; payment and credit services; account debiting services; cheque encashment services; credit brokerage; automatic cash dispensing services, automatic teller machine services; insurance services; financial consultation services; financial analysis and providing reports; financial information services; financial advisory services; computerised financial services; advice and enquiries regarding credit; services for the provision of credit; acceptance of deposits; discounts of bills (notes); domestic remittance; travellers cheque services; providing loans and savings accounts services; providing savings bonds; managing savings and investments for others; providing savings accounts and services on-line; information services relating to credit, credit card services, mortgages, banking and finance; advisory, consultancy and information services relating to all of the aforesaid services.

3. The mark proceeded to publication on 23rd November 2007. On 12th December 2007, Mint Partners Ltd (hereafter “Mint”) lodged opposition. Opposition was on the basis of sections 3(6), 5(1), 5(2)(a), 5(2)(b) 5(3) and 5(4)(a) of the Trade Marks Act 1994 (hereafter “the Act”). In relation to section 3(6), Mint said the application offended against section 32(3) of the Act as RBS had admitted in open correspondence to Mint that they did not have any bona fide intention to use the mark on all of the services applied for. In relation to the other grounds of opposition, Mint noted they had an earlier registered Community Trade Mark, 3459302, for the word ‘MINT’ (filed on 24th October 2003), as well as unregistered rights acquired since 2003, upon which they based their grounds under section 5. The opposition under section 3(6) was directed against the goods in Class 9 and some of the services in Class 36 (including the broad terms such as “financial services”, “payment services”, “banking services” “financial consultation services”, “financial information services”, “acceptance of deposits” and managing investments for others”). The opposition under the various subsections of section 5 was however only focussed upon certain of the services in Class 36.
4. Following correspondence with the registry to the effect that the grounds under section 5(1) and 5(2)(a) were unsustainable, an amended statement of grounds was filed on 3rd January 2008. On 8th April 2008, RBS filed their counterstatement, denying all the grounds of opposition, saying that, in relation to section 3(6) they were a “huge banking institution and the terms set out in the specification therefore must be appropriate”. They said they had an earlier registered mark, MINT (2243024), which was filed on 19th August 2000 and that their rights predated those of the opponent . At para 9 of their counterstatement, they said the applicant and opponent had agreed to coexist peacefully by an Agreement dated 3rd November 2005 (hereafter “the Agreement”). I have annexed a copy of this Agreement as Annex A. They said

further that the Agreement specifically provided that the opponent would not contest or challenge any use by the applicant of marks consisting of comprising the word MINT, and would co-operate fully to enable the applicant to register its MINT trade marks in the UK and EU. It transpired later that the Agreement between the parties had arisen out of opposition before the Community Trade Mark Office (OHIM) *by RBS against* Mint's registration, 3459302, based upon RBS's earlier mark, 2243024.

5. Once the pleadings were complete, a non-binding preliminary indication was issued by the registry which indicated that, insofar as the grounds under section 5(2)(b) were concerned, the opposition would succeed in its entirety. On 25th April 2008 RBS indicated that they wished to proceed to the evidence rounds, and at the same time filed an amended counterstatement which simply added details of an additional registered MINT mark, filed as a series, on 17th February 2003.
6. On 1st July 2008 Mint sought leave to amend its own statement of case, conceding that if the amendments were allowed, the registrar had a discretion to award costs to RBS for the expense of filing an amended counterstatement. The amendments sought were to add section 3(4) as a ground of opposition and to expand upon the original section 3(6) claim. Mint's attorneys referred, in their letter, to RBS's counterstatement and its reference to the Agreement. They said they believed that registration of the application would be in breach of the Agreement which would constitute a breach of contract, prohibited in the UK by a rule of law thus contravening section 3(4) of the Act. In relation to section 3(6), they said the applicant had wilfully and deliberately applied for the application, which included services prohibited under the Agreement, and this should constitute an additional or alternative ground to that originally claimed. The amended statement was admitted into the proceedings by preliminary view of the registry and a period set for RBS to file its further amended counterstatement, which it did on 7th August 2008.
7. In the meantime, on 30th July 2008 Mint wrote to the registry alerting it to correspondence between Arnold and Porter (solicitors, who also act for Mint) sent to Murgitroyd who act for RBS. The letter, dated 23rd June 2008, expressly asks Murgitroyd to confirm that RBS had a bona fide intention to use the mark in accordance with section 32(3) of the Act. It also asks Murgitroyd to confirm what the relevance is of RBS's earlier marks. The stated aim of the letter was to enable Mint to "properly prepare its evidence in support of the opposition". No reply having been received, Mint effectively asked the registry to pose those questions on its behalf (without citing any legal basis for so requesting, simply that the answers may potentially save time and costs for all concerned). The registry wrote again on 24th September 2008 to say that it was not proposing to intervene to ask RBS whether it had a bona fide intention to use the mark as it had made a declaration to that effect on Form TM3 when they filed the application.
8. In view of the hiatus, the registry reset the period for filing Mint's evidence and gave it up to 24th October 2008. Mint filed evidence on 24th October 2008,

comprising two witness statements and also asked for an extension to file additional evidence from an independent professional in the finance sector. This was allowed, and on 21st November 2008 a short, additional witness statement from Peter O'Toole was filed. The period was set for RBS to file their evidence up to 24th February 2009. An extension was requested up to 24th May 2009 and this was allowed by preliminary view of the registry, which Mint then challenged and asked to be heard. An interlocutory hearing was appointed on the extension request, but by letter dated 27th March 2009, RBS withdrew the application, "for business reasons unrelated to the opposition". It was at this point that Mint pressed their claim for an award of costs 'off the scale'.

9. By letter dated 18th June 2009, their attorneys set out a history of the case from start to finish saying that RBS had had plenty of time to withdraw the application, and that RBS's "tenacity and stubbornness in running arguments in support of the application – some of which went to the heart of a clear and previously negotiated co-existence agreement" had caused it to consult senior lawyers in England and Scotland. Mint's costs were itemised in Schedules to that letter which show Trade Mark Attorney (F B Dehn) fees, amounting to some £13,000, and Solicitor and Counsel fees amounting to some £83,000. The letter also gives eight specific instances where, it is claimed, RBS's behaviour had been unreasonable. RBS's attorneys responded by letter dated 29th July 2009, rebutting each of the eight instances of unreasonable behaviour and concluding by saying that it was a mystery as to why the opposition was filed in the first place, given that RBS had already agreed not to interfere with Mint's use of the mark MINT for the goods and services of interest to Mint. RBS also said the level of costs claimed by Mint was 'preposterous'. By preliminary view of the registry dated 27th August 2009, the claim for 'off the scale' costs by Mint was rejected and a hearing was subsequently sought by Mint.
10. The matter came to be heard before me on 10th December 2009, at which Mint were represented by Mr Michael Edenborough of Counsel, instructed by F B Dehn, and RBS were represented by Mr Mark Hickey for Murgitroyd. After the hearing I wrote to both parties setting out my decision and, to a very great extent, my reasons. The letter said however, that if a full statement of grounds was required a Form TM5 plus fee should be filed. Mint has duly filed that Form and this decision comprises the full statement of grounds.

The parties' claims in relation to costs

11. Mint characterise RBS's conduct in the proceedings as unreasonable or aggravating. They also say the application, including the breadth of the specification, was a plain act of 'bad faith' in light of:
 - (a) The Agreement between the parties, Clause 5 of which prevented RBS from using the trade mark MINT in relation to services in Class 36 set out in Schedule B of the Agreement; and
 - (b) An e-mail dated 10th May 2007 from Sinead Byers of RBS (exhibit

RB11), to a Michael Bergman, which states that the inclusion by RBS of the term “financial services” in Class 36, “does not mean that we want to expand the scope of our use into the areas of interest to you [ie Mint], *and indeed we are not permitted to do so under the agreement.*” [my emphasis]¹.

12. The argument runs that, by including the broad term, ‘financial services’, in particular, in Class 36 of the specification this amounted to flagrant bad faith on RBS’s part as there was no intention to use as required by section 32(3) of the Trade Marks Act 1994 *across the full range of services specified*. The Agreement, reinforced by the ‘admission’ in the e-mail to the effect that RBS were bound by the Agreement, prevented them from so using in respect of many services in Class 36 which had been ‘fenced off’ for use or registration by Mint.
13. Mr Edenborough goes further still and says that the very application was an act of bad faith. Quoting from para 12 of RBS’s skeleton argument which reads, “The lack of registration would not affect RBS’s ability to continue to use its mark MINT in accordance with the terms of the Agreement “, he says it can be assumed from this that the application *as a whole* had no commercial object in mind.
14. All Mint’s costs (ie, some £96,000) incurred as from March 2007 flow, Mr Edenborough says, from RBS’s behaviour, and such costs amount in essence to ‘liquidated damages and so are fully recoverable’ (skeleton argument, para 21). He notes the *Target Brands Inc Case* (BL O-281-07), which concerned a large award of costs made to compensate a party for the unreasonable behaviour of the other party in pursuing an untenable claim of bad faith in the face of compelling evidence. I will make no further mention of this case; as will become clear, I do not regard RBS’s position to be an untenable one.
15. RBS’s response to this is to say that it has, at all times, behaved reasonably towards Mint. They say the purpose of the opposition was always unclear to them in that registration of the application would not have had any effect upon Mint’s continued ability, as far as RBS were concerned, to use the mark MINT on the services identified in Schedule B of the Agreement . Furthermore, the Agreement did not prevent RBS from applying for the mark ‘CLEVER MINT’ in relation to the services specified. The Agreement gave no undertaking to Mint relating to the scope of the application, and neither should the scope of the specification be considered an act of bad faith in the light of undertakings given to Mint.
16. RBS say the application was withdrawn for simple commercial reasons. In any event, RBS say the costs incurred by Mint in connection with the opposition are unreasonable and unjustified. RBS’s concluding position is to say that, taking into account the need to rebut Mint’s unjustified claims on costs, each

¹ Neither side has argued that this e-mail, or any other communication between the parties put before me, is subject to the without prejudice rule.

party should bear its own costs and no award at all should be made. That is to say that Mr Hickey conceded that, in a normal case, where an applicant withdraws their application during an opposition, there is likely to be a costs liability calculated by reference to the usual scale of costs, as far as reimbursing the opponent is concerned.

Decision

17. Practice guidance in relation to the issue of costs can be found in TPN 2/2000, supplemented by TPN 4/2007. That guidance provides that the registrar requires flexibility to award costs 'off the scale', possibly "approaching full compensation.... to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour". This list is plainly not intended to be exhaustive, as TPN 4/2007 expressly states, and the overriding factor is the requirement on the registrar to act judicially in all the facts of a particular case. I do not believe I need to restate the purpose and public interest of having a scale of costs, but suffice it to say that it is to do with the exercise of control and predictability in relation to what is intended to be a low-cost and accessible tribunal. I need now to deal with the specific arguments made by Mint.

(i) Bad faith in the light of the Agreement

18. My task here, as was appreciated by both parties at the hearing, is not to construe the Agreement but to address the question whether Mint had an irrefutable claim of bad faith against RBS in the light of the Agreement, such that any defence was rendered entirely baseless, with the consequence that Mint's costs in the matter should be compensated in whole or part.

19. Clause 5 of the Agreement reads as follows:

"5. RBS shall not use the trade mark MINT in relation to goods and services in Class 36 as set out in Schedule B of the co-existence Agreement."

20. Although I did not understand Mint to be arguing the point, I think it is nevertheless worth pointing out in connection with Clause 5, that it does not operate to prevent RBS from applying to register the application for the goods and services in Class 36 as set out in Schedule B; it simply prevents their use. Nowhere in the Agreement, as far as I can ascertain, is there any such bar. This is in contrast to Clause 6 which expressly prevents Mint from seeking registration of the Trade Mark, MINT, or any colourable imitation thereof for any services other than those in Schedule B. In the event however, RBS's claim at para 6 of their amended counterstatement filed on 7th August 2008, was not that the Agreement did not prevent them applying for the mark, but that the Agreement did not apply at all, as it related only to use of the mark MINT *solus*, and not CLEVER MINT, as applied for.

21. Admittedly (but in hindsight), this may sit rather uncomfortably with their apparent e-mail admission of 10th May 2007 (referred to in para 11 above)

that they consider themselves bound by the Agreement. That said, I must decide whether a claim of bad faith would have inevitably succeeded and any possible defence would have been baseless.

22. Firstly, although Clause 5 has the effect that the mark will not be used by RBS in respect of certain financial services, it leaves open the question that there may well be many *other* services, both within the broad term 'financial services' and possibly, expressly mentioned in their specification, for which RBS had the requisite bona fide intention to use, and which are *not* covered by the Agreement. There must be a very real question as to whether, in such circumstances, refusal of all the services under attack under section 3(6) would have been a proportionate response. I note in this regard that section 3(6) is not an 'all or nothing' provision, and instead provides that a trade mark shall not be registered *if or to the extent* that the application is made in bad faith. This renders its possible impact in accordance with Art 13 of Trade Marks Directive 2008/95/EC (codified version), upon which the Act is based. This Article reads:

"Article 13

Grounds for refusal or revocation or invalidity relating to only some of the goods or services

Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only."

23. Secondly, it seems to me that there is case law upon which RBS could rely in defence of the section 3(6) claim and which I mentioned at the hearing, eg *Knoll's AG's Trade Mark* [2003] RPC 10 before Neuberger J (as he then was). Para 27 of this case reads as follows:

"Over and above this, it is important to bear in mind that [s.3\(6\) of the 1994 Act](#), upon which the claimant's case hinges, involves alleging not merely that the applicant has framed its claim too widely, but that it was guilty of bad faith. The precise meaning of "bad faith" may vary depending on its linguistic context and purpose, but it must, I think, always involve a degree of dishonesty, or at least something approaching dishonesty. To say that one intends to use a mark in connection with "pharmaceutical substances", when one intends to use the mark in connection with a specific category of pharmaceutical substances, does not appear to me, as a matter of ordinary language or concept, to amount to want of good faith. Of course, it might well be different if it was clear from the document in which the statement is made, or from information supplied to the person making the statement, or from well established principles of law, that the intention concerned has to apply across the whole range of goods and services

concerned. There is nothing to support such a contention in the words of the 1994 Act or the Order.”

24. It is clear to me that, purely as a matter of construing the relevant statutory provisions (ie without any additional material), Neuberger J is saying that if a party lays claim to “pharmaceutical substances”, when it intends to use the relevant mark only in connection with a specific category of “pharmaceutical substance”, that, of itself, does not appear to amount to be want of good faith. Specifically, as he says there is nothing in the 1994 Act or Order to require a person to have an intention to use *across the whole range of goods or services applied for*. The same rationale would, of course, apply to ‘financial services’; there is no distinction between goods and services as far as the principle is concerned. At the hearing, Mr Edenborough’s answer to *Knoll* was to say that either the view expressed was obiter, or that it had no application in circumstances where specific undertakings had been given as to non-use. He said it was obiter because, in his view, Neuberger J was ‘uncertain’ as to the view expressed above, and was minded to refer the matter to the relevant European Courts. Having carefully considered this case, I do not believe Neuberger J was uncertain at all in para 27 and had no difficulty, on a plain reading of statute, in concluding that there was no act of bad faith.
25. Where Neuberger J was uncertain was as to the question whether refusal of a UK application for bad faith on the basis of section 32(3) was, itself, consistent with the Directive. This uncertainty did not undermine his construction as above, based purely on a plain reading of statutory provision.
26. As I have said, Mr Edenborough’s other response to *Knoll* is to say that the circumstances were different in that no express undertaking as to non-use had been given, unlike this case. I do not see that fact as completely undermining RBS’s position at all. The statutory provisions still do not contain the words, “*across the whole range of goods and services*”. RBS were properly entitled to contend that even though they may have given an undertaking not to use in respect of certain services, there are plenty more within the coverage of their Class 36 specification, as well as Class 9, for which no undertaking had been given. The fact that they did not so contend in these express terms in their counterstatements is irrelevant for the purposes of this application for off the scale costs, in respect of which it is for Mint to demonstrate that there simply was no defence.
27. Furthermore, RBS could (and did at the time) contend that, for those services in respect of which an undertaking had been given in the Agreement, the Agreement simply did not apply as, eg it related to the mark MINT, and not CLEVER MINT. I would just add, hypothetically, that had Mint attacked *only* those services for which RBS had given the undertaking in the Agreement on the basis of bad faith for want of intention to use, *and* RBS had openly conceded their application was within the scope of the Agreement, that would still not, in my opinion, have deprived them of any defence to the bad faith claim. In *Chocoladefabriken & Sprüngli AG v Franz Hauswirth GmbH* (Case C-529/07), the ECJ says:

- “41 Consequently, in order to determine whether there was bad faith, consideration must also be given to the applicant’s intention at the time when he files the application for registration.
- 42 It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant’s intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.
- 43 Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.
- 44 That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.”

28. Whilst this case may appear to lend support to the proposition that a lack of intention to use amounts to bad faith, it is plain that the lack of intention to use is for the purpose of preventing a third party from entering the market. It is also worthwhile remembering that it is not as if RBS had applied for goods or services which could not, with the best will in the world, ever have been associated with that company. They applied for financial services which is the nature of their business. Whether in doing so they acted in bad faith would have required a tribunal or Court to enquire as to their intent; the Agreement does not have the effect of rendering the act manifestly and unanswerably an act of bad faith.

29. Mr Edenborough’s position potentially raises serious questions of public policy, *both* in relation to the effect that legitimate and concessionary co-existence agreements may, or should, have upon the validity of applications or registrations, as well as upon the very use of broad terms, without any backdrop of any co-existence agreement at all. Concerning such agreements, the Act allows registration of marks even if there are earlier identical marks for identical goods and services or there is a likelihood of confusion, where there is consent, usually consequent to or part of a co-existence agreement. Moreover, the registry, for its part, encourages co-existence agreements, as is evident from the advice on the same on its website. For any such agreement potentially to have the deleterious effect urged upon me by Mr Edenborough would not, in my opinion, be in the public interest. I would stress however, that my reasons for rejecting Mr Edenborough’s argument are *not* based upon public interest concerns, but entirely based upon a proper construction of statute.

30. As regards the use of broad terms in general without any backdrop of co-existence agreements, they are there to be used. Plainly, if challenged in a

revocation action or opposition requiring genuine use to be proven, it may well be that a term such as 'financial services' would be found to be capable of sub-division into independent sub-categories, with the consequence that the registration or earlier mark is reduced to the appropriate, definable sub-category of services upon which genuine use is found. But this does not mean that the use of the broad term, (especially for a firm the size of RBS), is unjustifiable in the first instance (see, eg paras 43-46 of Court of First Instance *Case T-126/03 ALADIN*).

31. It is not, fortunately, my task to determine these underlying issues here or, I repeat, to construe the Agreement. All I have to find is whether or not the section 3(6) claim was, as alleged by Mr Edenborough, irrefutable and incapable of being defended. I have no difficulty in finding for the reasons above that that is not the case.

(ii) Unreasonable or aggravating behaviour by RBS

32. The specific instances of unreasonable behaviour are set out in Mr Edenborough's skeleton argument at Paras 3 to 5. It may be helpful if I reproduce those paras in full. It should be noted that Mr Edenborough uses the acronym 'MPL' instead of the term 'Mint' but the two are one and the same:

"3. The Application was filed on 21 Dec 05. Under the system that then operated, MPL's earlier registered rights were cited as conflicting. RBS sought consent from MPL based upon a 2005 Agreement between the parties. Consent was refused, as the Application fell outside of the Agreement. This was unambiguously communicated to RBS in a letter dated 19 Mar 07, yet RBS ignored this refusal by MPL to grant consent by wrongly claiming that the Agreement applied. That wrongful claim by RBS amounted to unreasonable conduct as this inevitably resulted in MPL being put to wasted costs.

4. This Opposition was filed on 12 Dec 07. RBS's Counterstatement and the Amended CS were defective in a number of regards, *e.g.*:

(a) The CS (at §§2 & 4) failed to explain why it was denied that a conflict existed (as required by TPN 4/2000 §§19-20), and so left MPL in the dark as to RBS's proposed defence on this issue despite the obvious conflict. This was unreasonable conduct by RBS as it deliberately failed to address a central issue.

(b) The CS failed to rebut the claim of bad faith by detailing those services for which the Application was already in use, or for which RBS had a *bona fide* intention to use, and so failed to satisfy section 32(3) of the TMA 1994. Further, RBS simply ignored the allegation referred to in the 10 May 07 e-mail in which it had admitted openly that it had no *bona fide* intention to use the Application. Rather RBS merely contended that "*The Applicant is a huge banking institution and the terms set out in*

the specification therefore must be appropriate". The adoption of such a position amounts to flagrant disrespect for the mandatory requirements that govern all applications by all applicants and an inordinate arrogance that those rules do not apply to RBS. This amounts to conduct that was improper.

(c) The reliance by RBS in its CS upon the 2005 Agreement was unreasonable as it was clearly wrong. However, the inclusion of this spurious point necessitated the amendment of the TM7 and SoG. The reliance by RBS upon grounds that were clearly unfounded was unreasonable.

(d) The Amended CS pleaded matters that were irrelevant (namely the reliance upon earlier TMs), yet these required MPL to consider and to address them. The inclusion of obviously unnecessary and irrelevant material was unreasonable conduct by RBS as it merely complicated matters unduly."

33. Para 3 says that RBS wrongly requested consent from Mint, who say the application fell outside the Agreement and this compelled it to waste costs in the opposition. Firstly, I do not believe that RBS were plainly wrong in seeking such consent, as it had a legitimate belief (based in particular on Clause 8 of the Agreement) that consent would be forthcoming, assuming of course that the application was caught by the Agreement in the first place. That Clause reads:

"8. The parties shall each of them co-operate fully with the other, including the provision of a Letter of Consent or any similar document as may be reasonably required, in order to enable each of them to register and maintain its respective Trade Mark(s) in the United Kingdom and throughout the European Union. In the event that, for whatever reason, only one of the parties is permitted by the competent administrative jurisdiction to register its Trade Mark(s), the party whose Trade Mark(s) is so registered shall take no steps to impede or hinder the use by the other party of the other party's Trade Mark in that jurisdiction."

34. My second point about Mr Edenborough's submission at para 3 of his skeleton is that I am at a loss to understand how Mint were 'compelled' to lodge opposition, following their own failure to give consent. He may be referring to the change of regime whereby the registry no longer refused applications at the ex-officio, examination phase on the basis of earlier marks, and instead leaving it to the holders of such earlier rights to lodge opposition. Even so, there can have been no question of Mint being 'compelled' to lodge opposition. It was their choice. Exactly who was doing the 'compelling' ? Thirdly, it will be noted in due course that, whilst it serves Mint's purposes to argue that consent was not forthcoming from it because the application was *outside* the Agreement; the entire basis for also, and at the same time, arguing that the application was an act of bad faith by RBS is predicated upon the application being *within* the Agreement. Lest I be accused of being less

than 'even handed', RBS were also 'guilty' of the same thing; on the one hand reliance upon the Agreement for the purposes of obtaining consent to the application and then denial that the application came within the scope of the Agreement for the purposes of defending the section 3(6) claim.

35. Be that as it may, para 4 of Mr Edenborough's skeleton goes on to detail specific instances in the prosecution of the case where RBS have acted unreasonably. I have carefully reviewed the file from start to finish and concluded that, insofar as *either* party may be said to have engaged in behaviour liable to incur liability for costs over and above the scale, accusations can be made on both sides. Whilst it is RBS's behaviour that is called into question I am unable to ignore, for example, that it was Mint's original statement filed on 13th December 2007, that contained completely unsustainable grounds under section 5(1) and 5(2)(a), which, had the registry not intervened on, would have potentially incurred wasted costs on RBS's part. Furthermore, it was Mint who, at one point, sought leave to amend its statement to include an additional ground under section 3(4) and to expand upon its original section 3(6) ground, and insodoing, conceded that an award of costs may be made to compensate RBS. Finally, it was Mint who refused to enter into a cooling off period wherein a possible settlement may have been formulated.
36. Nevertheless, having reviewed those specific instances cited by Mr Edenborough (and the file as a whole), I have concluded that none of the instances clearly shows unreasonable behaviour on RBS's part. When I say that I have reviewed the file as a whole, I mean that I have not just restricted my scrutiny to the instances cited in Mr Edenborough's skeleton, but also those raised in F B Dehn's letter of 18th June 2009, all of which I consider to have been effectively addressed in Murgitroyd's reply of 29th July 2009. I see no need to recount those here, but will instead focus on the instances raised at the hearing. In relation to the specific instance cited at Para 4(a), to the effect that RBS had failed in its counterstatement(s) to deny why there was a conflict between the respective marks, even if Mr Edenborough were correct (which I do not accept), he would have the additional task of explaining why the specific matter was not raised at the time and what quantifiable inconvenience it actually caused Mint.
37. I would add that it is common practice, for better or worse, in registry proceedings, to simply deny a likelihood of confusion, leaving the detailed arguments to be made in evidence or submission. This does not mean that all defences in registry proceedings comprise simple denials; many (helpfully) contain concessions, but there is no compulsion to concede anything at the outset, and had the registry itself had any concerns about an inadequate defence then it would have intervened, as it did against Mint's original pleading. By denying the section 5(2) ground of opposition, RBS can be said to have complied with para 19 of TPN 4/2000, covering the need to be specific in pleadings. Para 20 refers to setting out the reasons for denial of an 'allegation', (ie not a ground), but in any event as I have said, if it was unhappy with the counterstatement(s) at the time, it was for the registry or

Mint to say so at the time. For ease of reference, the relevant paras in the TPN read as follows:

“Counter Statement

19. A defence should comment on the facts set out in the statement of case and should state which of the grounds are admitted or denied and those which the applicant is unable to admit or deny but which he requires the opponent to prove.

20. The counter-statement should set out the reasons for denying a particular allegation and if necessary the facts on which they will rely in their defence. For example, if the party filing the counter-statement wishes to refer to prior registrations in support of their application then, as above, full details of those registrations should be provided.”

38. In relation to the specific instance at Para 4(c), I believe RBS were entitled to rely upon and introduce the Agreement into the proceedings, as this in effect formed the sum and substance of the original section 3(6) claim, without which there would not have been such a claim, even if in its original statement the Agreement had not been mentioned expressly by Mint.
39. In relation to the specific instance at para 4(d), it is true that the amendment to the counterstatement sought by RBS to add an earlier right was potentially irrelevant but, as such, it can hardly be said to have occasioned undue or quantifiable cost to Mint.
40. In relation to the specific instance cited at Para 4(b), Mr Edenborough is on slightly stronger ground. The original defence to the section 3(6) claim comprised a simple assertion that RBS was, “ a huge banking institution and the terms set out in the specification therefore must be appropriate”, and this can only be regarded as having been perfunctorily pleaded. Although Mr Edenborough’s criticisms have some force in relation to this specific instance, I would hesitate to term RBS’s behaviour ‘unreasonable’, and even if I did, I would then be confronted by the question as to what quantifiable inconvenience it actually caused Mint. That is to say, that even if the original counterstatement(s) were lacking somewhat (it must be noted again, however, that the registry allowed the pleading to stand), by the time the final version was filed on 7th August 2008, there was sufficient information upon which Mint felt they could focus their subsequent evidence. Again, there was no complaint from Mint at the time regarding nature of the section 3(6) defence. From RBS’s perspective, they plainly felt that, given their size and varied operations, laying claim to the term ‘financial services’ in Class 36 was one that could be justified and was not, of itself, an act of bad faith.
41. I should mention that, as my factual background at para 7 above states, Mint did intervene prior to filing their evidence by letter dated 30th July 2008, not, as I have said to complain about RBS’s poor section 3(6) pleading as such, but effectively to ask the registry to get RBS to confirm that it had a bona fide intention to use in respect of all the services applied for. Whatever the legal

basis for this intervention was (as I have said, there was none provided by Mint), clearly the intent was to obtain an admission from RBS which may have served to shorten the whole process as far as they were concerned. Rightly, in my view, the registry's response was that RBS had made the required declaration by filing the original Form TM3 and, in effect, Mint had to persuade the tribunal by evidence and argument that in making the declaration, RBS had acted in bad faith. All things considered, I am of the view that RBS's somewhat perfunctory section 3(6) defence had, at the time, no demonstrable effect at all in terms of requiring Mint to incur needless costs.

42. A further point raised by Mr Edenborough was in relation to RBS's continuation of the proceedings in the face of an adverse preliminary indication. I will say no more about this than that it is well established that such a preliminary indication is simply a non-binding opinion, in the face of which any party has an absolute right to proceed to the evidence rounds. However 'obvious' the result of the preliminary indication may have been, to characterise someone who takes the option to proceed to evidence rounds as 'unreasonable' or behaving in an 'aggravating manner' is plainly wrong. Preliminary indications are arrived at before any evidence has been filed or argument made. As has been said before at para 17 of *esure Insurance Ltd v Direct Line Insurance plc* [2008] RPC 6, it would be an error of principle for a hearing officer to take the result of a preliminary indication into account in arriving at a substantive decision, and in the same way I also regard it an error of principle to take such an indication into account for the purposes of this application for 'off the scale' costs. That is not to say that in certain circumstances the preliminary indication may have an impact on an award of costs.
43. I should also address Mr Edenborough's claim that the application itself had no commercial object, given the statement in para 12 of RBS's skeleton. In that para, RBS was simply pointing out the impact (or lack) of registration upon the respective parties' obligations as regards use. As such, it does not constitute any admission against interest whatsoever.
44. Mention was made at the hearing of a possible offer by RBS to limit the terms of the specification. Mention of this offer had originally been made in Murgitroyd's letter of 29th July 2009. However, as there was no firm evidence of such an offer, as Mr Edenborough rightly pointed out, I could not factor it into my analysis. As he also points out, even if there had been a firm offer, it would have had no impact on any assessment of liability costs *prior* to an offer being made. In the event however, I believe this matter can be decided without reference or regard to any possible offer.
45. Mr Edenborough also mentioned the fact that, in accordance with Clause 12, the Agreement was to be construed under Scottish law, and this formed an aspect of his argument that RBS had behaved in an aggravating manner. This, he says gave it 'home advantage', compelling any party that disputed the Agreement to take Scots law advice. Be that as it may, there is nothing before me that suggests that Mint did not freely enter into the Agreement to enable, inter alia, registration of their own Community Trade Mark. Having, I

must assume, freely entered into the Agreement, to subsequently contend that a term requiring determination under Scots law is, in some way, 'aggravating', is, to put it very bluntly, an exercise in 'after the event' bleating. I make no comment on the possibility that the parties may not have been on an equal footing as far as negotiation of the Agreement was concerned, save to remind myself that the Agreement was, in effect, a concession by RBS to allow Mint to have a Community Trade Mark registration.

46. Finally, under the heading of unreasonable or aggravating behaviour, I questioned Mr Hickey as to the why the decision to withdraw was taken when it was. He reiterated that the decision to withdraw the application was for business reasons and I must take that assurance at face value as there is no material before me which suggests otherwise.

47. To sum up, I have not found that RBS has behaved unreasonably or in an aggravating manner by filing the application in the first place or at any point in the proceedings.

Overall conclusions

48. Mint has failed to make good its claim that RBS has either behaved unreasonably or that the application was in part or whole an irrefutable act of bad faith, and that effectively ends the matter. But I believe that, even if I had found RBS to have acted in such a way as to merit an additional award to Mint 'off the scale', the question would have to be asked, in connection with that 'misbehaviour' (hard though it may be to accurately quantify), whether the costs incurred by MPL were *reasonably* incurred, or indeed 'profligate', as RBS say.

49. Whilst I have no wish, or need, to comment on the specific items detailed in the schedule of costs supplied by Mint, I will nonetheless comment in a general sense as the question has been raised by RBS, and significant issues underlie the matter. How can it be that RBS incurred costs of just £2,500 in this undecided opposition, but Mint incurred costs approaching £100,000 - in the same case ?

50. Had the matter progressed to a full or partial examination of the Schedules of fees presented by Mint, I think it would have been inevitable that serious questions would have had to be asked as to why Mint felt obliged to employ solicitors *and* trade mark attorneys *and* English and Scottish Counsel to assist them. I do not of course say that, having such a range of advice can never under any circumstances be justified, but where such costs are claimed, compelling justification to dispel any suspicion that, eg there had been an unnecessary duplication of effort, would be required. As I have said however, I do not feel I need to seek such justification in this case as the fundamental basis upon which it has been brought has not been made out.

51. So, to conclude, and as conceded by Mr Hickey, had Mint restricted their claim to normal, scale costs, including the cost of the filing the opposition and

preparing a statement, considering RBS's counterstatements, and preparing their evidence, I would have calculated the total as follows:

Filing opposition, preparing statement and considering RBS's counterstatements - £600

Preparing evidence (three witness statements, including one from the trade) - £500

Total - £1100

52. However, RBS has been entirely successful in resisting Mint's claim for off the scale costs and as such, their costs in resisting Mint's claim offset entirely the amount that would have been due to Mint as above. That is to say that in resisting the claim, RBS had to incur the costs, at least, of a substantial letter from their attorneys dated 29th July 2009, as well as having those attorneys prepare for (including provision of a skeleton argument) and attend the hearing on costs before me. Accordingly, I make no award of costs at all and require each party to bear its own costs.

Dated this 09 day of February 2010

**Edward Smith
Assistant Principal Hearing Officer,
for the registrar, the Comptroller General**

ANNEX A

CO-EXISTENCE AGREEMENT

This Agreement is made the 3rd day of NOVEMBER 2005

By and between

The Royal Bank of Scotland Group plc a company incorporated under the laws of Scotland, whose registered office is located at The Royal Bank of Scotland Group plc 36 St Andrew Square, Edinburgh, Scotland, EH2 2YB (hereinafter referred to separately and jointly with its subsidiaries, affiliates, successors and assigns as "RBS"), of the first part,

and

Mint Partners Limited, a company incorporated under the laws of England and Wales, whose registered office is located at 1 Conduit Street, London W1S 2XA United Kingdom (hereinafter referred to separately and jointly with its subsidiaries, affiliates, successors and assigns as "MPL"), of the other part.

WHEREAS RBS has adopted various trade marks consisting of and comprising the word MINT (hereinafter referred to as the RBS Trade Marks), and said Trade Marks are the subject of various registrations and applications in the name of RBS in the United Kingdom and elsewhere, as set forth in Schedule A to this Agreement; and

WHEREAS MPL has adopted the Trade Mark MINT (hereinafter referred to as the MPL Trade Mark) for use in connection with services in Classes 35, 36, 41 and 43 as set forth in Schedule B to this Agreement (hereinafter referred to as the MPL Services), and such Trade Mark is the subject of Community trade mark application number 3459302; and

WHEREAS the parties wish to continue trading using their respective Trade Mark(s) without interference one from the other.

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. MPL shall recognise the prior rights of RBS in the United Kingdom and throughout the European Union and shall acknowledge and consent to the right of RBS to use the RBS Trade Marks in the United Kingdom and throughout the European Union.
2. MPL shall not contest or challenge the use made of the RBS Trade Marks by RBS in the United Kingdom and throughout the European Union.
3. RBS shall recognise, acknowledge and consent to the right of MPL to use the MPL Trade Mark in connection with the MPL Services in the United Kingdom and throughout the European Union.
4. RBS shall not contest or challenge the use made of the MPL Trade Mark by MPL on the MPL Services in the United Kingdom and throughout the European Union.

5. RBS shall not use the trade mark MINT in relation to goods and services in Class 36 as set out in Schedule B of the co-existence agreement.
6. MPL shall refrain from ever using or seeking registration of the trade mark MINT or any colourable imitation thereof for any services other than the MPL Services listed in Schedule B to this Agreement.
7. MPL shall amend the specification of services for all existing trade mark applications and registrations for the mark MINT or any colourable imitation thereof to cover only those services listed in Schedule B to this Agreement.
8. The parties shall each of them co-operate fully with the other, including the provision of a Letter of Consent or any similar document as may be reasonably required, in order to enable each of them to register and maintain its respective Trade Mark(s) in the United Kingdom and throughout the European Union. In the event that, for whatever reason, only one of the parties is permitted by the competent administrative jurisdiction to register its Trade Mark(s), the party whose Trade Mark(s) is so registered shall take no steps to impede or hinder the use by the other party of the other party's Trade Mark in that jurisdiction.
9. Each of the parties shall withdraw all oppositions or other actions that it has brought in any jurisdiction in connection with the registrability, validity or enforceability of the Trade Mark(s) of the other party in accordance with this Agreement.
10. The parties acknowledge that the use of their respective Trade Mark(s), as set forth in this Agreement, does not constitute a present likelihood of confusion.
11. This Agreement shall extend to and be effective in the United Kingdom and throughout the European Union.
12. This Agreement shall be subject to Scots law and any dispute concerning its construction, performance or validity shall be adjudicated in the courts of Scotland.
13. If any part, term or provision of this Agreement shall be held to be illegal, unenforceable or in conflict with the law of any relevant jurisdiction, the validity or enforceability of the remainder of this Agreement shall not be affected thereby.
14. This Agreement is binding upon the parties, their respective subsidiaries and affiliates, and on their respective successors and assigns. Any of the rights or duties under this Agreement may be assigned, provided that the assignee undertakes in writing to be bound by the terms and conditions of this Agreement in respect of this assignment.

15. The preamble to this Agreement is an integral part thereof.

IN WITNESS WHEREOF the Parties have executed this Agreement, consisting of this and the 2 preceding pages and the Schedules A and B

Signed on behalf of
The Royal Bank of Scotland plc ~~GROUP PLC~~ *[Signature]*
at (place) Edinburgh on (date) 12 Oct 2005
(Signature of Authorised Officer)

Name Authorised Signatory DAWN HEANEY KIRKSLIDE LOBAN

In the presence of: [Signature]
(Signature of Witness)

Full Name of Witness SHEILA THOMSON
Address: RBS GOSABBWEN
PO BOX 1000
EDINBURGH EH12 1HQ

Signed on behalf of
Mint Partners Limited
at (place) LONDON on (date) 3 Nov 2005 *[Signature]*
(Signature of Authorised Officer)

Name Authorised Signatory RICHARD BARNETT

In the presence of: [Signature]
(Signature of Witness)

Full Name of Witness NICHOLA MILNER
Address: 61 CASTELLAN AVE
GIDEA PARK
ROMFORD
ESSEX

Schedule A

1. UK Trade Mark Registration No.2323977B MINT registered in Class 36.
2. UK Trade Mark Registration No. 2323977D MINT registered in Class 9.
3. UK Trade Mark Application No. 2323977F MINT applied for in Class 9.
4. UK Trade Mark Registration No.2243024 MINT registered in Class 36.
5. UK Trade Mark Registration No. 2350044B MINT CARD and Device registered in Class 9.
6. UK Trade Mark Application No. 2350044C MINT CARD and Device in Class 9.
7. UK Trade Mark Registration No. 2350044D MINT CARD and Device registered in Class 36.
8. UK Trade Mark Application No. 2360439 MINT FAVOURITE SHOPS in Classes 16 and 35.
9. UK Trade Mark Application No. 2386432 MINT FAVOURITE SHOPS applied for in Classes 9 and 35.
10. UK Trade Mark Application No. 2360715 MINT + applied for in Classes 9, 16, 33, 35, 36, 39, 41 and 43.
11. UK Trade Mark Application No. 2373133 GET MORE GET MINT in Classes 9, 16, 33, 35, 36, 39, 41 and 43.
12. UK Trade Mark Application No. 2373225 GET MINT WHAT'S STOPPING YOU? In Classes 9, 16, 33, 35, 36, 39, 40 and 43.
13. Community Trade Mark Application No. 3899333 MINT in Classes 9 and 36.
14. Community Trade Mark Application No. 3903507 MINT + in Classes 16, 33, 35, 39, 41 and 43.
15. Community Trade Mark Application No. 3904166 MINT CARD and Device in Classes 9 and 36.
16. Community Trade Mark Application No.3904232 MINT CARD and Device in Classes 9 and 36.
17. Community Trade Mark Application No. 3904241 MINT CARD and Device in Classes 9 and 36.

Schedule B

Class 35

Business assistance, administration, support, information and management; office management; database management; rental and leasing of office machines and equipment; secretarial services; photocopying, telephone answering, typing, word processing and shorthand secretarial services, clerical services; document reproduction and shredding services; information, advice and consultancy in respect of the aforesaid services.

Class 36

Provision of financial trading floor facilities; financial trading arcade facilities, financial spread betting; stock exchange services; broking; stockbroking; leasing of office space; rental of offices; letting of office space; financial information relating to the provision of financial trading floor facilities, financial trading arcade facilities, financial spread betting, stock exchange services, broking, stockbroking but not including any such services relating to the provision of credit cards, credit card services, loans, mortgages, savings, investment or insurance products.

Class 41

Spread betting services; betting; club services; information advice and consultancy in respect of the aforesaid services.

Class 43

Rental of temporary office accommodation; provision of facilities for meeting and conferences; information, advice and consultancy in respect of the aforesaid services.