

O-060-10

TRADE MARKS ACT 1994

SUPPLEMENTARY DECISION - COSTS

**IN THE MATTER OF REGISTRATION 2413418
IN THE NAME OF SYKAM SOLUTIONS LIMITED
IN RESPECT OF THE MARK**

Bo Bijou

**IN CLASSES 14, 35 & 42
AND AN APPLICATION TO INVALIDATE
UNDER NO 82760
BY BO-BJU LTD**

Background

1. On 10 July 2009 I issued a decision in relation to the above proceedings. I held that the application for invalidation by Bo-Bju Limited (“BBL”) was successful and, therefore, Sykam Solutions Limited’s (“SSL”) trade mark registration was invalid. No appeal against my substantive decision was made. In relation to costs, I stated:

“*BBL* having been successful and is entitled to a contribution towards its costs. At the hearing a claim was made by *BBL* for costs off the scale, approaching full compensation. I am prepared to consider costs off the scale as the nature of the evidence filed by *SSL* has been so seriously called in to question that its behaviour must be regarded as unreasonable. However, before giving further consideration to what costs to award, *BBL* should provide me with a breakdown of the time and money expended as a result of these proceedings. A period of one month from the date of this decision is allowed in which to do so.”

2. The above comments stem from the fact that the evidence filed by SSL (the evidence of Ms You) contained a number of statements and documents which, due to BBL’s counter-evidence, I found to be misleading and, indeed, some of it was falsified. This type of behavior represents a wholly unreasonable form of conduct in any proceedings, conduct which will have put BBL to unnecessary expense. Subsequent to my invitation to do so, BBL filed information relating to the costs that it had incurred as a result of these proceedings. I then raised some points of clarification (I will return to this) about these costs. SSL were afforded an opportunity to make written submissions in response, but it did not avail itself of this opportunity.

3. BBL’s total claimed costs are for the sum of £32,309.86. This is made up of time/money related costs for three individuals together with associated disbursements. The three individuals concerned are Mr Evans, Mr McGahan & Ms McGahan. All three are directors of BBL. Ms McGahan is also its managing director. Ms McGahan’s claimed rate is £250 per day. As managing director, I have assumed that this relates to her salary. Mr Evans’ and Mr McGahan’s costs are claimed on the basis of being consultants.

4. In response to a request for clarification from myself, whilst it is clear that Mr Evans and Mr McGahan act as consultants for others, BBL were not billed for the sums involved. The claim is, effectively, and as Mr Evans later put it, “income forgone”. Whilst they could, as Mr Evans explains, have invoiced BBL, the fact remains that they did not. In view of this, the costs cannot be reimbursed as claimed because they have not been expended by BBL. They are not a financial loss of BBL. In relation to Ms McGahan, there is no indication that her fee, if it is her salary, is more than it would have been had the dispute with SSL not taken place in the context of these proceedings. Whilst Ms McGahan has undertaken

duties in order to deal with these proceedings, it is not clear that this has created any form of financial loss.

5. The Civil Procedure Rules set out guidance on how to make detailed costs assessments. This includes guidance in relation to litigants-in-person which, effectively, BBL is. The guidance is that unless financial loss can be proven, costs on the basis of time expended should be assessed at an amount of £9.25 per hour (Practice Direction 52.4 to Part 48). I note, of course, that the Civil Procedure Rules are not binding on me¹ and, furthermore, that I have a wide discretion in the matter of costs². That being said, I must be conscious not to award higher costs than would have been incurred³ and that a litigant-in-person should not be put in a better position before this tribunal than it would be before the court⁴. Taking all this into account, and taken against the context described in the preceding paragraph relating to financial loss, I consider it reasonable to allow BBL £9.25 per hour in relation to the reasonable time expended in dealing with these proceedings by the three individuals concerned.

6. There are two other parameters I should set out before turning to the actual costs in more detail. Firstly, that time related costs are claimed in relation to a series of meetings attended by the three individuals. I have calculated the length of each meeting by dividing Mr Evans' initial claim for each meeting/event by £160 (his initially claimed hourly rate). I have then rounded that to the nearest half hour. The second parameter relates to other types of work (evidence analysis) for which Mr McGahan and Ms McGahan have simply claimed daily rates; I will assess the reasonableness of these claims on the basis of an eight hour working day, although, I note that Mr McGahan later states that he spent at least 50 hours on this work. Having set out these parameters, I will go through the claim in more detail:

- i) A disbursement of **£1500** relating to legal advice from *Downs Solicitors*. This relates to a period of time shortly before and shortly after the filing of BBL's application. As this relates to legal advice obtained by BBL relating to the initiation of the proceedings then this seems a reasonable claim.
- ii) A disbursement of **£200** relating to the fee for filing the application for invalidation. This is clearly reasonable.

¹ *St Trudo Trade Mark* [1995] FSR 345, *Rhone-Poulenc Rorer International Holdings Inc v Yeda Research and Development Co Ltd* [2006] RPC 24 and [2007] RPC 9.

² *Rizla Ltd's Application* [1993] RPC 365.

³ See the decisions of Mr Simon Thorley QC in *Adrenalin* (BL O/040/02) and Mr Richard Arnold QC in *South Beck* (BL O/160/08).

⁴ Mr Richard Arnold QC in *South Beck* (BL O/160/08).

- iii) There are a number of claims between 17 July & 22 July 2008. A meeting took place at More Place but no explanation is given as to its purpose. I note that an interlocutory hearing took place on 22 July 2008 relating to the translation of part of SSL's evidence, so it is reasonable to assume that matters related to this. At the interlocutory hearing, costs were dealt with by the hearing officer. In view of this, it is inappropriate for me to make a further award in connection with this.
- iv) A series of six meetings (28 June 2007, 12 February 2008, 11 April 2008, 27 May 2008, 31 July 2008 and 28 October 2008) took place at the White Horse venue. The meetings lasted for 5 hours, 5.5 hours, 5 hours, 5.5 hours, 5.5 hours and 5.5 hours respectively, making a total of 32 hours. The meetings were to deal with various issues relating to the proceedings (reviewing the case, reviewing evidence, deciding on counter-evidence etc). One of the meetings, though, also dealt with reviewing the interlocutory hearing outlined above. In the circumstances, I consider it reasonable to allow 30 hours per individual for these meetings. This represents costs of £277.50 per person so **£832.50 in total**.
- v) I note that there are some references and associated costs relating to "Fothergills". However, it is not clear what this relates to so I have not taken it into account.
- vi) There is also a meeting at Stowell House which took place in advance of the substantive hearing. Again, the three individuals attended in order to review the evidence and prepare the format of the hearing. The meeting lasted for 5.5 hours. This equates to £51⁵ per person so making **£153 in total, which is reasonable to claim**.
- vii) Mr Evans has made a number of time based claims in addition to attending the meetings and hearing. These are for activities such as reviewing the case, compiling evidence/reply evidence, preparation for the hearing. Based on the amount claimed, I have calculated that such work was undertaken in around 33 hours. **I will, therefore, allow the sum of £305.25 as a reasonable claim.**
- viii) There are then claims relating to the hearing itself, which lasted for around 4.5 hours. Mr Evans made submissions at the hearing so his presence was clearly required. Whilst it was reasonable for one of the other directors to also attend, I do not consider it a reasonable claim for both. I will, therefore, allow the claim in so far

⁵ Rounded up to the nearest 50p

as it relates to Mr Evans and Ms McGahan. I, therefore, allow the sum of £42⁶ per person, **so £84 in total.**

- ix) A disbursement of **£50** for an extension of time to file evidence is claimed. Although the time periods set for parties to file evidence is a reasonable one and the time to file evidence was, therefore, within BBL's control, the amount of work and counter-evidence filed is significant and, in view of this, I consider it appropriate that this disbursement should be reimbursed.
- x) There is a claim in relation to what is described as the forensic analysis of SSL's evidence. Mr McGahan says he spent, as a modest estimate, in the region of 50 hours. Ms McGahan says she spent 8 days of her time (so making 64 hours). The relevance of the claim is clearly reasonable against the background of the evidence filed and the counter-evidence subsequently submitted by BBL. I will allow a sum of **£1054.50** here.
- xi) There are also costs relating to room hire, travel expenses, and stationary costs (paper, ink, postage, telephone calls, photocopying) that equates to just over £1000. **I will allow a sum of £1000 here.**

7. The total so far comes to £5179.25. The one claim not yet mentioned is for legal text books. A claim of £1186 is made. This, in my view, is not wholly reasonable as there is no reason why information could not be gleaned from a legal library or on-line resources. I will, though, award a contribution to account for this by uplifting the overall sum to £5500.

8. I consider the final sum of **£5500** to represent reasonably incurred costs. It is above what would have been assessed from the Registrar's published scale and, therefore, this reflects the unreasonable conduct of SSL and the unnecessary expense that such conduct has placed on BBL. I hereby order Sykam Solutions Limited to pay Bo-Bju Ltd the sum of £5500. The above sum should be paid within seven days of the expiry of the appeal period for this supplementary decision or within seven days of the final determination of this matter if any appeal against this decision is unsuccessful.

Dated this 12 day of February 2010

**Oliver Morris
For the Registrar
The Comptroller-General**

⁶ Again, rounded up to the nearest 50p.