

**O/0646/2**

**3**

**DECISION ON COSTS**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF**

**TRADE MARK REGISTRATION NO.**

**UK00003422047**

**IN THE NAME OF**

**ACCIO HOMES LTD**

**IN CLASSES 9 AND 11**

**AND**

**AN APPLICATION FOR A DECLARATION**

**OF INVALIDITY THERETO UNDER NO.**

**CA000505059**

## BACKGROUND

1. On 28 June 2022, Luqom Holding GmbH (“the cancellation applicant”) made an application to have the mark owned by Accio Homes Ltd (“the registered proprietor”), UK00003422047, declared invalid under section 47(2) of the Trade Marks Act 1994 (“the Act”) using Form TM26(I).
2. Part 6 of the Form TM26(I) asked the cancellation applicant if it had informed the registered owner/holder of its intention to seek invalidation of the registration of their trade mark. The cancellation applicant duly filled in the box confirming that the invalidation notification date was 20 May 2021.
3. Part 6 of the Form TM26(I) is accompanied by a note: *“Note: Starting invalidation proceedings without giving the registered holder or the registered owner a reasonable opportunity to surrender the registration may result, (if the application for invalidation is undefended), in a successful applicant not being awarded costs.”*
4. On 20 July 2022, the Registry served the Form TM26(I) on the registered proprietor by letter.
5. Because the registered proprietor did not file a counterstatement within two months of 20 July 2022, a decision of the Registrar was issued as follows:

“As the registered proprietor has not responded to the allegations made, I am prepared to infer from this that they are admitted. Therefore, in accordance with Section 47(6) of the Act, the registration is declared invalid and I direct that it be removed from the register and deemed never to have been made.”
6. On 2 March 2023, the cancellation applicant emailed the Registry requesting that costs be awarded in their favour.
7. The registered proprietor was asked for their comments on the cancellation applicant’s request and responded by email on 13 March 2023 as follows:

“I have received an invitation for comments as the above cancellation applicant has applied to the Registrar for an award of costs. Please see below.

The said German conglomerate came across my shop on my website (which is now inactive), and decided that my brand name/trademark - ACCIO - was a copy of their brand name - ARCCHIO. Whilst our products are both lighting, they supply standard commercial lighting for corporate clients and offices (strip lights, ceiling lights for corporate uses), my products are smart light bulbs (controlled via app and voice) for retail customers. I had never heard of their brand nor business before, and it is based in Germany.

I sought the help of a German solicitor, however, after several thousands of pounds of consulting fee, they said if I wanted to defend and counter-sue in court, it would cost me at least £15,000. As a small business that has just started up, this was not feasible, therefore I agreed to not sell in Germany and the EU, to simply conclude the case.

A few months later, the same company came after my UK trademark, even though we sold completely different products, (I do think they have plans to go into the UK market), and I had also applied and held my UK trademark with no issues prior to this. Feeling hopeless as a small start up, I simply don't have the financial or emotional resources to even continue this debate, so I decided to close the company and let them cancel my UK trademark.

However, I cannot believe that a big international company, not only forced me to withdraw and close my trademark and my business, is now seeking for me to cover their cancellation fee.

Please do not grant them this as it is simply not fair, and I haven't made any money from my start up and therefore cannot afford this. I am happy to provide further comments.”

8. On 24 May 2023, the Registry issued a preliminary view on the matter by letter as follows:

“The Registry has considered the applicant’s request for costs and your comments dated 13 March 2023. After reviewing the file, it is the preliminary view of the Registry that an award of **£400.00** in favour of the cancellation applicant would be appropriate.

In making this view the Tribunal notes that the applicant informed the proprietor of their intention to seek invalidation of their registration on 20 May 2021.

This would be considered as giving the proprietor an opportunity to surrender the registration before any formal application for invalidity was filed. Your attention is drawn to Tribunal Practice Notice 6/2008 which outlines this procedure. This registration was not withdrawn, and the applicant filed a Form TM26I, Application to declare invalid a registration, on 28 June 2022.

The amount is reached as follows:

<b>Filing of Form TM26(I)</b>	<b>£200.00</b>
<b>Statutory Fee</b>	<b>£200.00</b>
<b>TOTAL</b>	<b>£400.00</b>

If either party disagrees with the preliminary view they should request a hearing within 14 days from the date of this letter; that is on or before **07 June 2023.**”

9. On 24 May 2023, the applicant emailed the Registry requesting a hearing on the matter.

## HEARING

10. The hearing took place before me on Tuesday 13 June 2023. Alisha Zhang, the owner of the registered proprietor, attended the hearing as a litigant in person.
11. The cancellation applicant did not attend the hearing.
12. Ms Zhang reiterated the points that she made in her email of 13 March 2023.
13. Ms Zhang confirmed that she did receive prior notice from the cancellation applicant of their intention to seek invalidation of their registration.
14. Ms Zhang was particularly keen to stress that she was contesting the award because she considered it be unfair due to the imbalance in the resources available to her company and those at the disposal of the cancellation applicant which she described as “a big international company”.

## LEGISLATION AND GUIDANCE

15. Section 68 of the Act states as follows:

“(1) Provision may be made by rules empowering the registrar, in any proceedings before him under this Act –

(a) to award any party such costs as he may consider reasonable, and

(b) to direct how and by what parties they are to be paid.

[...]”

16. Rule 67 of the Trade Marks Rules 2008 provides:

“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 what parties they are to be paid.”

17. When considering the question of costs and reasonable notice, I bear in mind 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. The Form TM7a does not provide the applicant with a summary of the intended grounds of the opposition, but in many cases these will be obvious from the results of the Examiner's search for earlier marks sent to the applicant prior to the publication of the application. Further, the TM7a does provide the applicant with the opponent's contact address.

5. Thus, an award of costs from the normal scale will usually be made to an opponent where a) a Form TM7a was filed, b) a subsequent Notice of Opposition is filed, and c) the opposition is undefended. The Registrar will use his discretion to reduce that award, or give no award at all, where the opponent did not allow reasonable time between the filing of Form TM7a, and the subsequent Form TM7, or is shown to have unreasonably refused to answer a request from the applicant to give an indication of the prospective grounds for opposition, despite having been asked to do so."

## **DECISION**

18. It is clear that the relevant legislation allows for the award of such costs as may be considered reasonable.
19. The relevant guidance – TPN 6 of 2008 – deals in detail with the question of oppositions and the need to provide reasonable notice. However, the principles of that guidance can be applied to invalidation proceedings in that, just as a party will not ordinarily receive a costs award if they have not given the other side reasonable notice of their intentions, they can expect such an award if they have given the other party reasonable notice.
20. In this case, the cancellation applicant notified the registered proprietor of their intention to seek invalidation of their registration on 20 May 2021. The registered proprietor does not dispute this.
21. The cancellation applicant allowed a period of more than a year to elapse before filing the Form TM26(I) which was served on 20 July 2022.
22. The registered proprietor did not surrender their mark prior to the Form TM26(I) being filed by the cancellation applicant. As no communication was received from the registered proprietor following the serving of the Form TM26(I) the cancellation application was considered to be undefended, and an invalidation decision was issued.
23. The cancellation applicant was successful in its application and incurred costs in compiling and submitting a Form TM26(I). In my view, the period of fourteen months from the cancellation applicant notifying the registered proprietor of its intentions until the serving of the Form TM26(I) constitutes reasonable notice.
24. Notwithstanding the point made by the registered proprietor about what it considers to be an unfair imbalance in the funds available to the respective parties, the cancellation applicant is entitled to a contribution to its costs.
25. I uphold the preliminary view that the opponent should be awarded £400 in costs.

26. This award is the minimum amount payable on the standard scale and I therefore consider it to be entirely reasonable and proportionate.

## **CONCLUSION**

27. The scale of costs that applies to these proceedings is that set out in TPN 2 of 2016.

28. I award costs to the cancellation applicant as follows:

Preparing a statement:	£200
Official fees:	£200
<b>Total:</b>	<b>£400</b>

29. I order Accio Homes Ltd to pay Luqom Holding GmbH the sum of £400. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings (subject to any order made by the appellate tribunal).

**Dated this 7<sup>th</sup> day of June 2023**

**John Williams**  
**For the Registrar**