

TRADE MARKS ACT 1994

**IN THE MATTER OF A COSTS AWARD IN RELATION TO
SAPROTEX INTERNATIONAL (PROPRIETARY) LIMITED'S
APPLICATIONS FOR REVOCATION
UNDER Nos. 81506, 81507, 81508, 81509 and 81510 OF
REGISTRATIONS Nos. 1247666, 1422809, 2022323B, 1241260
AND 1072225 STANDING IN THE NAME OF
HACHETTE FILIPACCHI PRESSE**

TRADE MARKS ACT 1994

IN THE MATTER OF a costs award in relation to Saprotex International (Proprietary) Limited's Applications for Revocation under Nos. 81506, 81507, 81508 81509 and 81510 of Registrations Nos. 1247666, 1422809, 2022323B, 1241260 and 1072225 standing in the name of Hachette Filipacchi Presse

Background

1. On 13 December 2004 I heard five revocation actions filed by Saprotex International (Proprietary) Limited against registrations in the ownership of Hachette Filipacchi Presse (HFP).
2. Decisions in relation to all five actions were issued on 30 December 2004 under reference O-379-04, O-380-04 and O-381-04 (the latter dealt with three of the actions by way of a single decision). There has been no appeal against these decisions.
3. In each case I recorded in relation to costs that:

“I heard submissions at the hearing in relation to the costs arising from the material available to me at the hearing. I was also told that there had been a certain amount of ‘without prejudice save as to costs’ correspondence that might need to be considered. The parties’ representatives invited me to defer a decision on costs so that they could assess their position in the light of my decisions on the substantive issues. Exceptionally I agreed to do so. The parties will, therefore, have fourteen days from the date of this decision to either indicate that they are content to bear their own costs in the light of the overall outcome of the cases or to file copies of the ‘without prejudice save as to costs’ correspondence along with their submissions in relation thereto. In the latter case I will issue a separate decision on costs which will also take account of the submissions on costs made at the hearing.”
4. It is normal in Registry proceedings for costs to follow the event and reflect the parties’ success or failure in the actions concerned. Costs awards are based on the published scale unless the particular circumstances of the case merit a departure from the norm. The Registrar has a wide discretion in this respect (*Rizla Ltd’s Application* [1993] RPC 365).
5. The Annex to this decision sets out for convenience the outcome of the above actions set against the specifications as they existed going into the hearing.
6. At the hearing I received submissions on costs issues arising from the material before me at the hearing including pre-action correspondence (provided at the hearing) that had been exchanged between solicitors acting for the parties or trading partners thereof which it was suggested should have a bearing on my decision on costs. Reference was also made to certain ‘without prejudice save as to costs’ correspondence between the parties’ advisers shortly before the hearing. As it was not appropriate that this latter material should have been shown to me prior to the issuing of the decisions it was agreed that the parties would be given an opportunity to either reach an accommodation on costs or to file the relevant

correspondence along with submissions in relation thereto in accordance with the terms of the paragraph from the decisions set out above.

7. As the parties have not been able to reach agreement, it falls to me to come to an overall view of the costs position based on the submissions made at the hearing and, subsequently, in writing in relation to the pre-hearing exchanges.

8. There is one preliminary point I need to deal with. My invitation to the parties to file further submissions after the issue of the decisions was restricted to the narrow matter of the 'without prejudice save as to costs' correspondence. Urquhart-Dykes & Lord, on behalf of Saprotex, have commented that the submissions made on behalf of HFP go wider than this and to that extent should be disregarded. My consideration of the further written submissions will be restricted to the terms set down at the hearing.

Submissions at the hearing

9. Mr Vanhegan, who appeared for Saprotex, submitted that his client should be entitled to costs in relation to Revocations Nos. 81506 and 81507. In relation to 81508 to 81510, where Saprotex had largely conceded the position, he asked me to take into account the following main points:

- the costs on both sides were unnecessarily incurred owing to HFP's failure to respond (in 2003) to Saprotex's request for information on use of the marks. Accordingly, Saprotex should not have to pay and should in any event be entitled to costs in relation to slippers and headgear;
- HFP's evidence was identical in all material respects but Saprotex was obliged to go through all the evidence to satisfy itself on the point. HFP should bear the costs thereof;
- HFP's evidence contained material which is irrelevant (in terms of dates) and/or duplicative.

10. Ms Chaudri, for HFP, requested costs in relation to 80509 and 81510 as Saprotex did not pursue these actions. As genuine use had been claimed, HFP should have its costs in relation to 81506 and 81508. In relation to 81507 she submitted that there should be no order for costs.

11. In relation to Mr Vanhegan's claim that Saprotex's request (in 2003) for information on use of the ELLE marks went unanswered, Ms Chaudri submitted that this request was made in relation to her client's assertion of passing off rights. There was nothing in the correspondence putting HFP on notice that revocation proceedings might be filed.

12. As regards Mr Vanhegan's other criticisms she submitted that the evidence that was the subject of criticism was necessary to establish that goods had been ordered over a long period of time and the duplicated material was not significant in amount.

Written submissions following the decisions

13. The hearings on these related cases took place on 13 December 2004. By letter dated 6 December 2004 Greenwoods Solicitors, on behalf of Saprotex, wrote to Bristows, HFP's solicitors, with proposals for resolving the dispute. The letter was marked 'without prejudice save as to costs' and requested a response by 4pm on 7 December 2004. In a without prejudice reply dated 7 December Bristows indicated that their client was not prepared to settle on the basis proposed. On 8 December Urquhart-Dykes & Lord, Saprotex's trade mark attorneys, informed the Registry that they had been instructed to agree to the dismissal of the 81509 and 81510 actions on the basis that there be no order of costs or, alternatively, on the basis that costs issues be dealt with at the hearing. The three other actions were to be proceeded with.

14. In relation to these exchanges the written submissions made on behalf of HFP can be summarised as follows:

- Greenwoods' letter of 6 December containing proposals for resolving the dispute was received only a week before the date set for the hearing and allowed only 24 hours for a response. Bristows had in this period to seek instructions from French associates who in turn needed to consult HFP. Thus an unreasonably short period of time was allowed;
- as at 6 December skeleton arguments were in course of preparation;
- Urquhart-Dykes & Lord's letter of 8 December to the Registry was ambiguous as to dismissal/withdrawal in relation to 81509 and 81510 and was in any case conditional on the costs issue;
- HFP's evidence had been filed some nine months before the offer was made;
- HFP were not prepared to concede a no costs order at this late stage and maintain that costs should be awarded in their favour in relation to 81509 and 81510;
- in relation to 81506 and 81508 it is submitted that there should be no order as to costs. Also Saprotex's position in relation to the scope of the revocation request for 81508 only became clear in the skeleton argument.

15. For Saprotex the main submissions are as follows:

- in the event the offer made by Saprotex was materially better from HFP's point of view than the combined outcome of the decisions (that is to say Saprotex beat its own offer);
- on that basis Saprotex should be entitled to costs on an indemnity basis on all five applications from the time that the offer was rejected (by analogy with CPR Part 36);
- acceptance of the offer would have relieved Saprotex of substantial additional costs;

- although the period normally applicable in the case of offers under Part 36, is 21 days, the shorter deadline was reasonable in the circumstances and HFP had no difficulty in responding by the deadline;
- HFP acted unreasonably and in disregard of its own evidence;
- an itemised claim for costs on an indemnity basis was annexed to the written submissions.

Decision

16. The Annex to this decision sets out for convenience the outcome of the various actions set against the specifications as they existed going into the hearing. If the matter rested there I would have little hesitation in saying that, in overall terms, both sides had enjoyed a measure of success and that, accordingly, neither should be favoured with an award of costs.

17. In the circumstances of these cases I am, however, being asked to consider whether this neutral costs position should be adjusted as a result of, firstly, the exchanges that took place in the period May to August 2003 prior to the launch of the actions and, secondly, the offer made by Saprotex shortly before the hearing. There are in addition a number of issues to do with the volume, content and presentation of HFP's evidence.

18. I will deal firstly with Saprotex's submission that, in relation to the 81508 to 81510 actions (the clothing cases), that revocation proceedings would have proved unnecessary (save in respect of headgear and slippers) if HFP had responded substantively to Greenwoods' request for information on use. HFP responded that the exchanges were in relation to passing off issues and HFP was not put on notice about possible revocation actions.

19. As a matter of record the initial letter (of 27 May 2003) from Berwin, Leighton Paisner, who were acting for HFP at the time, appears to have concentrated on HFP's passing off rights and makes no overt mention of trade mark infringement. However, I note that Greenwoods' substantive response of 3 July 2003 sought an acknowledgement that continued use of the mark 'elle' by their client "will not constitute infringement of any registered trade mark of Hachette". Reference was specifically made to Section 10 of the Act. It seems unlikely therefore, that HFP would not have been aware that an attack on their own registrations might be a natural corollary of the process they had initiated notwithstanding the absence of any direct reference to revocation proceedings.

20. Against that state of affairs must be weighed the fact that, in the face of HFP's evidence of use in relation to clothing in response to the revocation actions, Saprotex made no offer to withdraw their actions until shortly before the hearing. Thus, had the parties been more forthcoming about their positions at the appropriate times it seems to me that the clothing cases would have been capable of resolution (save as regards slippers and headgear) at a much earlier stage. As matters stand, neither party's behaviour is above criticism and neither appears to be deserving of a costs award.

21. It will be convenient at this point to deal with the criticisms that have been made about HFP's evidence in the 81508 to 81510 actions. In essence the criticisms go to the fact that

the evidence was largely the same in each case and was in part irrelevant and/or duplicative. There is some force to these points. Given the high level of commonality in the issues and evidence the cases might reasonably have been consolidated. There is also material that is either outwith the relevant timeframe for the proceedings, not related to use in the UK, and/or duplicative.

22. I accept that this involved Saprotex and its advisers in some unnecessary work. On the other hand it seems to me that establishing that the evidence was largely common to the three sets of proceedings was not a difficult process and could have been confirmed quite easily with HFP's own advisers.

23. Exhibit ARC6 is particularly commented on as containing a considerable number of UK order forms which are outside the relevant timeframe. That is so, but the invoices are in date order and I do not consider that it was overly burdensome to establish that this material would be of no assistance to HFP. The inclusion of a small number of pages from German advertisements and some duplication in ARC7 does not seem to me to be of great significance in terms of the evidence as a whole. Nevertheless, I accept that in overall terms Saprotex have been put to some unnecessary work in relation to their scrutiny of HFP's evidence.

24. In respect of this aspect of Saprotex's claim I have been referred to the following observations of Jacob J. (as he then was) in *Euromarket Designs v Peters* [2000] ETMR 1025:

“The claimant's exhibits heavily overburdened the papers. A mass of irrelevant material was put in. Mr Miller suggested that no-one read it before it was put in. That would seem to be so on this side of the Atlantic. The only reason proffered was that the material was sent over late. That is a description and not an excuse ... This overburdening was one of the things I took into account in my summary assessment of the defendants' costs at £45,000. People must not forget that every exhibit they put in has to be read and assessed by the other side. I also took into account on costs the grossly exaggerated claims of use, which required extensive work to answer.”

25. I take the view that there is some justification for Saprotex's criticisms but that there is a risk of overstating their position. I am not prepared to say that the content and presentation of HFP's evidence “heavily overburdened the papers”. It does, however, seem appropriate to make some allowance for my above findings in the overall costs position. I deal with this later in the decision.

26. That brings me to the final matter that it is said should impact on costs, the without prejudice save as to costs correspondence. Saprotex contends that, by analogy with the principles of CPR Part 36 it should be entitled to costs on an indemnity basis on all five applications as it has beaten its own offer. More than that, Saprotex says that the terms it proposed were ‘materially better’ from HFP's point of view and that HFP acted in disregard of its own evidence.

27. Having carefully considered the position I am not prepared to accept this aspect of Saprotex's claim for costs for the following reasons:

- it is an exaggeration to say that Saprotex beat its own offer to a material extent. The only items where my decisions went further than Saprotex's offer were 'bed covers' (registration No. 1247666) and 'headgear' at large (registration No. 2022323B). In the latter case Saprotex's offer acknowledged some use in relation to baseball caps, beanies and bucket hats;
- the Saprotex offer was made very late in the day, that is to say some nine months after HFP's evidence had been filed and only one week before the hearing;
- the time allowed (and indeed available) for response was very limited;
- the offer would in any case have left costs as an unresolved issue;
- HFP had already commenced preparations for the hearing;
- contrary to Saprotex's submission HFP did not in my view act unreasonably or in disregard of its own evidence. The few goods items where Saprotex achieved success beyond the scope of their offer were arguable points where I was only able to reach a decision after full consideration of the evidence.

28. In all the circumstances I do not need to consider Saprotex's detailed costs schedule in respect of work carried out from 8 December until 13 December and in relation to the preparation of submissions.

29. It follows from the above that the state of equilibrium that seems to me to exist in relation to costs is only disturbed to the extent that Saprotex should be recompensed for the additional work involved in scrutinising HFP's evidence in relation to the 81508 to 81510 cases and determining the relevance etc. of the material supplied. In respect of this work I order HFP to pay Saprotex the sum of £500 (to cover all three cases). This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this costs issue if any appeal against this decision is unsuccessful.

Dated this 7th day of April 2005

M REYNOLDS
For the Registrar
the Comptroller-General

Outcome of the revocation actions

No.	Original specification	Outcome
1247666 (Rev. 81506)	Bedcovers, tablecovers, household linen (other than clothing), bed blankets and beach towels	Revoked in respect of all goods except beach towels.
1422809 (Rev. 81507)	Lace and embroidery; ribbons and braid; artificial flowers	Revoked in respect of all goods.
2022323B (Rev. 81508)	Clothing including boots, shoes and slippers and headgear for women, but not including socks, stockings or tights (goods in certain other Classes were not made the subject of the revocation action)	Revoked in respect of slippers and headgear.
1241260 (Rev. 81509)	Clothing for women, but not including socks, stockings or tights.	Revocation action dismissed.
1072225 (Rev. 81510)	Outer clothing for women, but not including stockings, body stockings, tights or swimwear (socks have been cancelled from the registration).	Revocation action dismissed.