

**IN THE MATTER OF AN APPLICATION No. 82848 BY ADVANCED MICRO  
DEVICES INC FOR REVOCATION OF TRADE MARK REGISTRATION No  
2159090 IN THE NAME OF LG ELECTRONICS INC**

---

**DECISION**

---

**Introduction**

1. On 24 December 2007, an appeal was lodged by the proprietor, LG Electronics Inc, against a decision of the Hearing Officer, Mr. G. Attfield, dated 27 November 2007, revoking trade mark No 2159090. That appeal was subsequently withdrawn and this decision relates only to the costs of the appeal.

**Background**

2. Trade mark No 2159090 PHENOM had been registered for a range of goods in Class 9 since 29 January 1999. On 25 April 2007, Advanced Micro Devices Inc. ("the Applicant") applied for revocation of the mark pursuant to sub-sections 46(1) (a) and (b) of the 1994 Act. The application was sent to the proprietor, LG, which did not file a counter statement within the three months specified by rule 31(3). LG requested a hearing, but later that request was withdrawn. In the circumstances, no reasons had been advanced as to why the mark should not be revoked for non-use, and the Hearing Officer took the view that he was entitled to find that LG's

failure to respond to the allegations mark of non-use meant that non-use was admitted. He was satisfied that the grounds for revocation existed at the relevant date and the mark was revoked with effect from 30 January 2004.

### **The appeal**

3. The Notice of Appeal lodged on 24 December 2007 contained the following statement of grounds:

"The registered proprietor does not admit that the trade mark was not in use in the periods alleged in the application for revocation.

The proprietor has evidence that the trade mark was in use.

The registered proprietor is negotiating with the applicant for revocation.

The applicant for revocation is considering withdrawing the application for revocation.

If the applicant for revocation withdraws the application, the Appointed Person is requested to set aside the decision revoking the trade mark."

4. The grounds of appeal appeared to turn, therefore, on the willingness of the Applicant to withdraw its application to revoke the mark. The reason for the reference to the proprietor's use of the mark was unclear.
5. The Hearing was fixed to take place before me at 10:30 a.m. on Tuesday 22 April 2008, allowing time for the parties to negotiate any settlement. A full skeleton argument was submitted to me on behalf of the Applicant by its attorneys, Venner Shipley LLP, on the morning of 18 April 2008. In that skeleton argument, Venner Shipley concluded by saying that it sought its costs of this application off the scale, "because LG's actions are such as to suggest that the appeal is frivolous, and has unnecessarily caused additional cost and delay" to the Applicant.

6. On the morning of 21 April 2008, LG's trade mark attorneys gave notice that LG did not wish to proceed with the appeal and was withdrawing it. Their letter said, "It transpires that the application for revocation has not been withdrawn and therefore the basis for the appeal falls away."
7. In the circumstances, the hearing did not take place. The power to award costs in relation to appeals to the Appointed Person is, however, exercisable in relation to appeals which do not proceed to a determination upon their merits (see e.g. the decision of Mr Geoffrey Hobbs QC in BL O/269/02). In the circumstances, I asked the parties to make any additional submissions as to costs in writing. I received submissions from both sides, which I have taken into account in this decision, and which I summarise below:
8. Venner Shipley reiterated that the appeal was frivolous, as LG never made any attempt to defend the registration or to seek an opportunity so to do, and could never have had a realistic expectation that the appeal stood any chance of success. Moreover, they said that there were never any substantive negotiations for the withdrawal of the application for revocation. Nonetheless, LG continued with the appeal until the last possible moment, by which time the bulk of the Applicant's costs had been incurred.
9. LG's attorneys responded that there had been some historic use of the mark, which had some value to LG. They said that there had been negotiations concerning a number of territories, justifying the lodging of the appeal, and that the Applicant should have realised that the appeal would not take place, as it had not agreed to withdraw the revocation application.

10. Venner Shipley replied that the Applicant had necessarily treated the appeal as one of substance, and could have saved substantial sums on costs if the appeal had been withdrawn at least a week before the date fixed for the hearing.
11. It seems to me that the Applicant was fully entitled to treat the appeal as active until given formal notice that it was being withdrawn. There is nothing in the exchange of submissions on costs which suggests to me that the Applicant or its attorneys ought have realised that an earlier stage that the appeal was likely to be ineffective. I have, therefore, no doubt that the Applicant ought to be awarded its costs of the appeal and the only question is the appropriate sum to award.
12. I was not provided with a bill or an itemised account of the sums spent by the Applicant, but some details were given in Venner Shipley's letter of 28 April. Costs were claimed from 14 January 2008, when they were informed of the appeal. An initial sum of £241 was billed on 26 February 2008, which I presume represents the amount spent upon the initial consideration of the Statement of Grounds. Another £2100 was apparently incurred up to 28 April 2008 (when submissions were made to me on costs) and up to another £400 was expected to be spent in concluding the case, that is presumably in reading and responding to LG's submissions on costs. The Applicant claimed a total of £2750, so effectively putting the Applicant's claim on an indemnity basis. LG made no comment or criticism of the sums set out in the letter of 28 April.
13. Section 68 of the Act and rule 60 of the amended Rules provide Hearing Officers acting on behalf of the Registrar with a wide discretion in deciding awards of costs. Nonetheless, as TPN 2/2000 and more recently TPN 4/2007 make plain, the long-established practice in Registry proceedings is to use published scale figures as norms, to be applied or departed from where appropriate, according to the nature and circumstances of each

case. Scale costs – even on the more generous scale in TPN 4/2007 - are not intended to compensate parties for the expense to which they may have been put, but represent only a contribution to those expenses. The benefits which flow from the use of the published scales are well-recognised. Litigants are provided with a relatively low cost forum, and they are able to predict how much any proceedings before the Registry are likely to cost them. Whilst Hearing Officers generally follow the guidance given by the relevant scale, they have a discretion to depart from it, in particular where parties to proceedings in the Registry behave unreasonably.

14. On appeal to the Appointed Person under section 76, it is customary for the Appointed Person to have regard to the Registry's practice of taking the scale figures as the norm, again to be adopted or departed from as appropriate on the facts of the case.

15. Venner Shipley's claim here is to indemnity costs. The circumstances in which indemnity costs may be properly awarded vary according to the facts of each case, but the applicable principle was summarised by David Richards J in *Ghafoor and Others v. Cliff and Others* [2006] 2 All ER 1079, at paragraph 72:

“... The leading authorities make clear that, while the court has a wide discretion as to whether to order costs on the standard or indemnity basis, there must be something in the conduct of the proceedings or the circumstances of the case which takes the case out of the norm in a way which justifies an order for indemnity costs.

Where, as in the present case, it is the conduct of the paying party which is relied on, there must be some element in his conduct of the case which deserves some mark of disapproval: unreasonableness to a high degree may be sufficient. (See *Excelsior Commercial & Industrial Holdings Ltd v. Salisbury Hammer Aspden & Johnson (a firm)* [2002] EWCA Civ 879, [2002] All ER (D) 39 (Jun).)”

16. Two reasons were advanced by Venner Shipley for awarding costs above the scale (indeed, on an indemnity basis) to the Applicant. First, it was said that the appeal was always frivolous and doomed to failure. It is certainly right that the Statement of Grounds left a good deal to be desired, but I do not think that I am in a position to describe it as wholly frivolous, or unreasonable to a high degree. The second reason proposed for increasing the normal level of costs was the very late withdrawal of the appeal, a bare 24 hours before the hearing. Such late concessions are always aggravating, especially where significant costs could have been saved had the concession been made earlier, such that, for instance, Venner Shipley would not have spent time in preparing a skeleton argument. On the other hand, such a late concession cannot in my view – perhaps unhappily – be described as so out of the norm as to justify an order for indemnity costs. The late concession should in this case in my judgment lead to an award of the costs thrown away, but not necessarily on an indemnity basis.
17. Had there been a hearing of this appeal, and the Applicant had won, it would plainly have been awarded its costs. On the basis of the scale of costs in TPN 2/2000 it could have sought a maximum of £1,700: £200 for considering the Statement of Grounds, and £1500 for preparation for and attendance at the hearing. The brevity of the Statement of Grounds might have been somewhat counterbalanced by its obscurity, but I anticipate that any hearing would also have been short, so that an award of less than those upper limits might well have been appropriate.
18. As a result of the late concession by LG, presumably some saving was made in time which Venner Shipley would otherwise have spent on last-minute preparation, if only in considering the other side's skeleton argument, and in the fact that there was no need to attend before me. On the other hand, there were short additional written submissions on costs.

19. For the reasons set out above, I do not think that an award of indemnity costs is appropriate. I consider that LG should pay the Applicant a sum based upon the scale, but at the top end of the scale, so as to reflect the fact that part of the Applicant's costs were thrown away by reason of LG's late concession. I therefore order LG to pay the Applicant the sum of £1,700 as a contribution towards its costs, such sum to be paid within 14 days of the date of this decision.

Amanda Michaels  
20 May 2008