

IN THE MATTER OF APPLICATION NO. 2388686 IN THE NAME OF AIR  
PARTS EUROPE LIMITED

AND IN THE MATTER OF OPPOSITION NO. 93708 THERETO BY INBEV SA

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DECISION

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Introduction

1. On 6 April 2005 Air Parts Europe Ltd applied to register the trade mark SOUTH BECK in respect of “wines, spirits, liqueurs, alcopops” in class 33.
2. The application was subsequently opposed by InBev SA on grounds raised under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994. In support of its opposition the opponent relied upon the following earlier trade marks:

<i>No</i>	<i>Mark</i>	<i>Class</i>	<i>Specification</i>
1555450	BECK'S BECK's (series)	32	Beer and non-alcoholic beer; all included in class 32.
1230149		32	Beer.
CTM 135285	BECK's	32	Beer, non-alcoholic beer, low-alcoholic beer.

1543244	BECK'S	32	Articles of outer clothing; articles of sports clothing; articles of leisure clothing; shirts and t-shirts; all included in Class 25.
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3. After both sides had filed evidence and attended a hearing, George Salhouse acting for the Registrar dismissed the opposition in a written decision dated 27 November 2007 (O/348/07). The opponent now appeals. The opponent accepted before the hearing officer that it had not proved use of registration 1230149. On the appeal the opponent did not pursue its section 5(4)(a) objection and accepted that its other two UK registrations did not add anything to its case based on its CTM registration.

Relevant provisions of the Trade Marks Act 1994

4. Section 5 of the 1994 Act provides in relevant parts as follows:
- (2) A trade mark shall not be registered if because-
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark
- there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.
- (3) A trade mark which-
- (a) is identical with or similar to an earlier trade mark
- shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.
5. These provisions implement Articles 4(1)(b), 4(3) and 4(4)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks.

### The hearing officer's decision

6. In relation to section 5(2)(b), the hearing officer directed himself in accordance with the Registrar's standard summary of the guidance provided by the Court of Justice of the European Communities in Case C-251/95 *SABEL BV v Puma AG* [1997] ECR I-6191, Case C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc* [1998] ECR I-5507, Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-3819 and Case C-425/98 *Marca Mode CV v Adidas AG* [2000] ECR I-4881, which it is unnecessary to set out here.
7. The hearing officer's assessment was that BECK's was inherently distinctive for beer, and the applicant accepted that the opponent had a world wide reputation and thus the mark was highly distinctive. It was common ground that the relevant average consumer was the alcohol-consuming member of general public. The hearing officer found that the goods covered by the applicant's specification were not identical to those covered by the opponent's CTM, but were very similar.
8. The hearing officer's assessment of the degree of similarity between the respective marks was as follows:
  35. It is trite law that the beginning of a trade mark is usually the most important element. In this case, the opponent contends that the average consumer would ignore the initial word of the applicant's mark and instead focus on the second word in the mark. No reason was advanced as to why the first word would be so discarded by the average consumer. I do not accept the opponent's contention as, to my mind, the two words would be seen as connected. The opponent's evidence shows that the word 'beck' is recognised as another term for a stream, a brook or a small river. The term SOUTH BECK would be understood to be a geographical location. Both words are going to be taken into account by the average consumer.
  36. Clearly, the fact that the word BECK appears in the applicant's mark provides a degree of visual and aural similarity to the opponent's marks. Equally clearly, the fact that the shared word is the second part of the mark and that the mark as a whole may be seen as a geographical reference means that there are differences between the

marks. Conceptually the opponent's marks would be seen as a name of a person or family and that the beer is provided by them hence the apostrophe 's' showing that the goods belong to BECK. As already stated the mark in suit is likely to be seen as a geographical reference, a frequent occurrence in the drinks industry and wine in particular. I am fortified by the view expressed by Geoffrey Hobbs Q.C. acting as the Appointed Person in the *CARDINAL PLACE* case (O/339/04) where at paragraph 15 he stated:

'The perceptions and recollections triggered by the earlier mark are likely to have been ecclesiastical whereas the perceptions and recollections triggered by the Applicant's mark are likely to have been locational as a result of the qualifying effect of the word PLACE upon the word CARDINAL. A qualifying effect of that kind can be quite powerful as indicated by the examples cited in argument on behalf of the Applicant: SOMERSET as compared with SOMERSET HOUSE; COUNTY as compared with COUNTY HALL; CANARY as compared with CANARY WHARF.'

9. The hearing officer expressed his conclusion as follows:

37. Taking account of all of the above when considering the marks globally, I believe that there is not a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore fails.

10. In relation to section 5(3), the hearing officer directed himself in accordance with the following principles which he extracted from Case C-375/97 *General Motors Corp v Yplon SA (CHEVY)* [1999] ECR I-5421, *C.A. Sheimer (M) Sdn Bhd's TM Application (VISA)* [2000] RPC 484, *Premier Brands UK Ltd v Typhoon Europe Ltd (TYPHOON)* [2000] RPC 767, *Daimler Chrysler v Alavi (MERC)* [2001] RPC 42, *Valucci Designs Ltd v IPC Magazines (LOADED)* (O/455/00), Case C-292/00 *Davidoff & Cie SA v Gofkid Ltd* [2003] ECR I-389, *Mastercard International Inc v Hitachi Credit (UK) Plc (CREDITMASTER)* [2004] EWHC 1623 (Ch), [2005] RPC 551 and *Electrocoin Automatics Ltd v Coinworld Ltd* [2004] EWHC 1498 (Ch), [2005] FSR 7:

a) 'Reputation' for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned by

- the products and services covered by that trade mark (paragraph 26 of the ECJ's judgment in *CHEVY*);
- b) Protection is available where the respective goods or services are similar or not similar (paragraph 29 of the Advocate General's opinion in *CHEVY* and *Davidoff*);
  - c) The provision is not intended to give marks 'an unduly extensive protection' – there must be actual detriment or unfair advantage (not merely risks) which must be substantiated to the satisfaction of the national court or tribunal (paragraph 43 of the Advocate General's opinion in *CHEVY* and paragraph 88 of Pumfrey J's judgment in the *MERC* case);
  - d) The provision is not aimed at every sign whose use may stimulate the relevant public to recall a trade mark which enjoys a reputation with them (per Neuberger J in the *TYPHOON* case);
  - e) The stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (paragraph 30 of the ECJ's judgment in the *CHEVY* case);
  - f) Confusion as to the trade source of the goods or services offered for sale under the later mark is not a necessary condition before there can be detriment; but is one form of detriment (paragraph 88 of Pumfrey J's judgment in the *MERC* case);
  - g) Detriment can take the form of either making the earlier mark less attractive (tarnishing) or less distinctive (blurring) (paragraph 88 of Pumfrey J's judgment in the *MERC* case);
  - h) Unfair advantage can take the form of feeding on the fame of the earlier mark in order to substantially increase the marketability of the goods or services offered under the later trade mark (per G Hobbs QC in *VISA* at page 505 lines 10-17).

11. The hearing officer's assessment was as follows:

45. It was accepted by the applicant that the opponent has a very significant reputation in beer in the UK. The opponent contends that the applicant's mark would be detrimental to their marks by diluting their "uniqueness, selling power and commercial magnetism". Whilst there are undoubtedly similarities in the respective marks, there are differences which far outweigh the similarities. It is possible that a consumer familiar with the opponent's marks, on seeing the applicant's mark may call to mind the mark they already know, but I do not consider the similarities to be such that they will believe that they are seeing the same marks or goods from that source. In *Inlima SL's Application* [2000] RPC 61 Mr Simon Thorley QC, sitting as the Appointed Person, said:

'The word "similar" is a relative term. One has to ask the question "similar for what purpose". The question of similarity accordingly can only be answered within the context of a particular set of facts, once one has identified both the facts and the purpose for which similarity is required. In the case of

section 5(3), the purpose of requiring similarity is so that the possibility of detriment or unfair advantage might arise. In any particular case, a conclusion as to whether it does arise must depend not only upon the degree of similarity but on all the other factors of the case, not least, the extent of the reputation. I therefore conclude that the same global appreciation as is required for confusion under section 5(2) is likewise to be applied to the changed circumstances of section 5(3).”

46. Adopting this composite approach advocated, the conclusions that I have set out above naturally lead me to the view that there is no advantage for the applicants to derive. As far as detriment is concerned, Mr Jariwalla suggested that this would result in a reduction in the distinctiveness of the opponent’s marks. I do not consider that registration of the applicant’s mark could have an impact in this respect, be it to the distinctiveness of the marks or the reputation they enjoy. The ground under Section 5(3) fails accordingly.

#### Standard of review

12. This appeal is a review of the hearing officer’s decision. Counsel for the opponent accepted that the hearing officer’s decision with regard to both of the issues in this case involved a multi-factorial assessment of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2002] EWCA Civ 763, [2003] RPC 5 at [28] applies:

In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.

A decision does not contain an error of principle merely because it could have been better expressed.

#### Grounds of appeal

13. The opponent appeals on the grounds that the hearing officer applied the wrong legal test in relation to both section 5(2)(b) and section 5(3) and that he made serious errors in assessing the evidence.

Section 5(2)(b)

*Alleged legal errors*

14. Counsel for the opponent submitted that the hearing officer had made three errors of law. The first and most important was that, while the Registrar's standard summary which the hearing officer had set out was accurate so far as it went, it omitted three important principles laid down by the European Court of Justice in more recent cases. Counsel articulated these principles as follows:
- (i) The assessment of the similarity between two marks does not amount to taking into account only one component of a complex trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks as a whole, although this does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components: *Case C-3/03P Matratzen Concord GmbH v Office for Harmonisation in the Internal Market* [2004] ECR I-3657 at [32].
  - (ii) It is possible for a likelihood of confusion to arise when an earlier mark consisting of a company name is included as a part of a later composite element trade mark even though that earlier mark does not form the dominant element of later mark: *Case C-120/04 Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* [2005] ECR I-8551 at [30].
  - (iii) To establish a likelihood of confusion it is not necessary to show that the overall impression of a composite mark which includes an earlier trade mark be dominated by that earlier trade mark, but is necessary to show that the earlier trade mark still has an independent distinctive role in the composite mark: *Medion* at [32].

15. I agree that it is necessary for hearing officers to take into account the guidance given by the European Court of Justice in more recent judgments. To *Matratzen* and *Medion* may be added Case C-334/05P *Office for Harmonisation in the Internal Market v Shaker di L. Laudato & C. Sas* [2007] ECR I-4529 among other decisions. I also accept that *Matratzen* is authority for proposition (i) above, as is *Medion* at [29] and *Shaker* at [41]. As for propositions (ii) and (iii), I would prefer to state the relevant principle in the terms of the Court's ruling in *Medion*, which was as follows:

Article 5(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.

16. It does not follow, however, that the hearing officer made any error of law in his assessment of the degree of similarity of the marks in the present case. In my judgment there was no error of law in the hearing officer's approach. He considered the visual, aural and conceptual similarities of the marks compared as wholes, which is what the jurisprudence of the ECJ required him to do. It does not appear to have been argued before him that the word BECK bore an independent distinctive role in the applicant's mark, although it was argued that that word was the dominant and distinctive element in the applicant's mark. It is clear from his assessment, however, that he would have rejected any such submission. On the contrary, it is evident that he regarded the distinctiveness of the applicant's mark as resulting from the interaction between the two words comprising the mark and hence as being evenly distributed throughout the mark. I see no error either of law or principle in that assessment. On the contrary, I agree with it.
17. I would add that the present case is distinguishable from *Medion*, and from the recent case of *Rousselon Frères et Cie v Horwood Homewares Ltd* [2008] WHC 881 (Ch) on which counsel for the opponent also relied, in a number of

respects. First, this is not a case where the entirety of the opponent's trade mark is contained within the applicant's trade mark: the opponent's trade mark is BECK's not BECK. The opponent's evidence does not come close to establishing that its beer is known or referred to as BECK (see below). Secondly, the additional element in the applicant's trade mark is not a company name or house mark. On the contrary, it is a geographical term. Thirdly, the nature of the applicant's trade mark is such that the two words form (to adopt Geoffrey Hobbs Q.C.'s well-known formulation) a blend of meaning and significance, rather having separate roles in the manner of (say) FORD FOCUS. Fourthly and least importantly, the goods are not identical.

18. Next, counsel for the opponent submitted that the hearing officer had erred in law in stating that it was trite law that the beginning of a trade mark was usually the most important element. I agree that that the hearing officer was not correct to state the law in that way. I believe that what the hearing officer had in mind was the well-established principle that "the tendency of persons using the English language to slur the termination of words also has the effect necessarily that the beginning of words is accentuated in comparison and, in my judgment, the first syllable of a word is, as a rule, far the most important for the purpose of distinction" per Sargant LJ in *London Lubricants (1920) Ltd's Application (TRIPCASTROID)* (19235) 42 RPC 264 at 279: see *Kerly's Law of Trade Marks and Trade Names* (14<sup>th</sup> ed) at §17-047. This is only a rule of thumb concerning the aural use of words, however: see *FIORELLI Trade Mark* [2006] EWHC 3284 (Ch), [207] RPC 18 at [34]. Nevertheless, I do not consider that this represented a material error of principle on the part of the hearing officer. In my judgment the hearing officer was correct to go on to say that there was no reason to think that the average consumer would ignore the first word in the applicant's mark.
19. Finally, counsel for the opponent submitted that the hearing officer had been wrong to rely on the decision in *CARDINAL PLACE* since it was distinguishable, in particular because the services in issue in that case were connected with real property. I disagree: in my view the hearing officer was right to regard that decision as relevant. I agree with him in thinking that, like

CARDINAL PLACE and the other examples cited in that case, the word SOUTH has a qualifying effect on the word BECK. As counsel accepted, it is manifest that the word SOUTH has a geographical significance. In my view this would encourage the average consumer to view the appellation SOUTH BECK as suggestive of a location even if he or she was otherwise uncertain of the meaning of the word BECK (as to which, see below). As the hearing officer held, this is particularly so given the prevalence of geographical names for wines and other alcoholic beverages.

20. I would add that the opponent recognised the power of a qualifying word in its own evidence. The applicant drew attention to the existence on the UK market of a wine sold under the name GRAHAM BECK. Mr Socquet of the opponent accepted that GRAHAM BECK wine had been sold in the UK since 1983, drew attention to the fact that GRAHAM BECK was a personal name and said:

use and registration of the mark ‘Graham Beck’ has co-existed (so far as I am aware without causing confusion) with the Opponent’s rights in BECK’S in the UK for several years. In view of these factors there is in my view no likelihood of confusion between ‘Graham Beck’ and BECK’S.

If there is no likelihood of confusion between GRAHAM BECK used in relation to wine and BECK’S used in relation to beer, it is difficult to see why use of SOUTH BECK in relation to wines, spirits, liqueurs and alcopops should give rise to a likelihood of confusion.

*Alleged errors in assessing the evidence*

21. Counsel for the opponent submitted that the hearing officer had made two serious errors in assessing the factual evidence. First, he had wrongly relied on the opponent’s evidence as establishing that the word “beck” was recognised as another term for a stream, a brook or a small river. Counsel contended that this was a reference to the following evidence given by Mr Socquet when

discussing one of two examples of third party use of the term “beck” relied on by the applicant:

Further, it is common for spring water and mineral water brands to refer to the source of the water, for example the name of a spring or well. Accordingly in my view the name ‘Ashbeck’ would be seen to refer to the name of a stream or ‘beck’ constituting the source of the water in question. This is a particular association that would be made by consumers of spring or mineral water.

Counsel argued with some force that this evidence was specific to the context of spring or mineral waters, and did not show that the average consumer of wines, spirits etc would make the same association.

22. Counsel for the opponent accepted, however, that the dictionary meaning of the word “beck” was “a brook, a rivulet; spec. a mountain, hill or moorland stream” (*Shorter Oxford English Dictionary*, 5<sup>th</sup> ed); and that, if the hearing officer had relied upon his own knowledge of the English language in reaching his conclusion as to how the word would be understood by the average consumer, that conclusion would not have been open to challenge. In these circumstances I consider that there was no material error in the hearing officer’s assessment.
23. Secondly, counsel submitted that the hearing officer had failed to take into account the evidence of two independent witnesses, Mr Chandler and Mr Landolt, that BECK was highly distinctive of the Opponent. Mr Chandler had been an employee of Averys Wine Cellars since about September 2004. In his statement he said this:

I believe BECK or BECK’s is distinctive of the opponent’s Beck’s beer brand in the UK and has been since before April 2005. I consider that this is a viewpoint that would reflect the opinion of the majority of people familiar with the UK alcoholic beverages market, as well as the public as a whole.

The evidence of Mr Landolt, who worked for Threshers, was similar.

24. The hearing officer did in fact refer to the evidence of Mr Chandler and Mr Landolt in his summary of the evidence. It is evident that he placed little or no weight on the passage I have quoted from Mr Chandler's evidence and the similar evidence from Mr Landolt. In my judgment he cannot be criticised for doing so, since it amounts to no more than unsubstantiated statements of personal opinion by two relatively inexperienced individuals in the drinks industry. Moreover, the evidence does not suggest that either witness had addressed his mind to the distinction between BECK's and BECK.

### Section 5(3)

#### *Alleged legal errors*

25. Counsel for the opponent submitted that the hearing officer had made two errors of law. The first was that the hearing officer had erred in his approach to the assessment of the similarity between the two marks for the same reasons as he had erred in his approach under section 5(2)(b). Once again, I do not accept this.
26. The second was that the hearing officer had failed to apply the correct test for assessing whether the relevant public would make a link between the earlier mark and the later mark. Counsel submitted that the hearing officer had wrongly held that it was necessary for the opponent to show that the similarities were such that the average consumer might be led to believe that the goods came from the same source. I do not accept this. Although it is true that in paragraph 45 of his decision the hearing officer did refer to this question, he went on to consider whether the use of the applicant's mark would take unfair advantage of, or cause detriment to, the opponent's mark in other ways.
27. Although I have concluded that there was no error in law in the hearing officer's decision, I would nevertheless note that some of the cases referred to by the hearing officer have been superseded by later case law, in particular Case C-408/01 *Adidas-Salomon AG v Fitnessworld Trading Ltd* [2003] ECR

I-12537, Case T-67/04 *Spa Monopole Compagnie Fermière de Spa SA/NV v Office for Harmonisation in the Internal Market* [2005] ECR I-1825 and *esure Insurance Ltd v Direct Line Insurance plc* [2007] EWHC 1557 (Ch), [2008] RPC 6.

*Alleged errors in assessing the evidence*

28. The opponent relied on the same matters under this heading as in relation to section 5(2)(b). I have already considered these.

Conclusion

29. The appeal is dismissed.

Costs

30. The hearing officer ordered the opponent to pay the applicant the sum of £1,600 as a contribution to its costs. He arrived at this figure in the following manner:

47. As the opponent was unsuccessful the applicant is entitled to a contribution towards its costs. The applicant has represented itself during the course of this action. In *ADRENALIN Trade Mark*, BL O/040/02, Simon Thorley Q.C. sitting as the Appointed Person on appeal, observed that:

‘It is correct to point out that the Registrar’s practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR [Civil Procedure Rules]. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6.’

48. Part 48.6 of the Civil Procedure Rules referred to in the above passage provides as follows:

- (1) This rule applies where the court orders (whether by summary assessment or detailed assessment) that costs of a litigant in person are to be paid by any other person.
- (2) The costs allowed under this rule must not exceed, except in the case of a disbursement, two-thirds of the amount which would have been allowed if the litigant in person had been represented by a legal representative.

49. With this consideration in mind I order the opponent to pay the applicant the sum of £1,600. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

31. The opponent appeals against this order as well as against the hearing officer's dismissal of the opposition. Counsel for opponent submitted first that CPR r. 48.6 was inapplicable to proceedings in the Registry. In support of this submission he relied on paragraph 6 of Tribunal Practice Notice 2/2000, which states:

It is the long-established practice that costs in proceedings before the Comptroller are awarded after consideration of guidance given by a standard published scale and are not intended to compensate parties for the expense to which they may have been put. Rather, an award of costs is intended to represent only a contribution to that expense.

32. Secondly, counsel for the opponent submitted that, if CPR r. 48.6 was applicable, the hearing officer had misapplied it. In support of this submission he pointed out that CPR r. 48.6(4) provides:

The amount of costs to be allowed to the litigant in person for any item of work claimed shall be-

- (a) where the litigant can prove financial loss, the amount that he can prove he has lost for time reasonably spent on doing the work; or
- (b) where the litigant cannot prove financial loss, an amount for the time reasonably spent on doing the work at the rate set out in the practice direction.

The Part 48 Practice Direction provides at paragraph 52.4 that the amount which may be allowed to a litigant in person under rule 46.8(4) is £9.25 per hour. Counsel submitted that the hearing officer appeared to have awarded the applicant two-thirds of the scale figure which he would have awarded a

represented party, and that this could not be justified since the opponent had not proved any financial loss and was very unlikely to have spent over 160 hours on the matter.

33. So far as the first submission is concerned, Simon Thorley Q.C. sitting as the Appointed Person said in *ADRENALIN*:

6. Under section 68 of the Trade Marks Act 1994, the Registrar is given a wide discretion to award costs. The principles upon which the Registrar will exercise that discretion are set out in a Tribunal Practice Note (TPN 2/2000 – see *Kerly’s Law of Trade Marks* 13<sup>th</sup> edition page 1009). In general the Registrar proceeds by reference to a scale of costs and it is a long established practice that costs in proceedings before the Registrar are not intended to compensate parties for the expense to which they may have been put. Mr. Knight expressed the policy behind the scale of costs in his decision in this case as follows:

‘That scale of costs is meant to be a reasonable scale based upon the policy that no-one should be deterred from seeking to register their intellectual property rights or indeed defend their intellectual property rights so that, for example, if a litigant in person loses an action before the trade mark registry, he or she would know fairly clearly in advance the sum of money they may have to pay to the other side.’

7. Plainly however a pre-requisite of making an award of costs on the scale of costs is that the award should not exceed the costs incurred.

8. It is correct to point out that the Registrar’s practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6.

...

10. As indicated above, the Registrar is given a wide discretion as to costs. The practice note is, and is intended to be, merely guidance as to how the Registrar will, in general, exercise that discretion. It does not and cannot impose a fetter upon the overriding discretion.

11. Part 44.3 of the CPR sets out the circumstances which should be taken into account when a court exercises its discretion as to costs and in my judgment exactly the same principles apply to the Registrar.

34. The Registrar is not bound by the CPR. On the other hand, the Registrar is entitled to, and does, have regard to the CPR in exercising his powers in circumstances where the Trade Marks Act 1994 and Trade Marks Rules 2000 do not make specific provision. Section 68 of the 1994 Act and rule 60 of the 2000 Rules give the registrar discretion to “award to any party such costs as she may consider reasonable”, but do not place any constraints upon the exercise of that discretion. I agree with Mr Thorley that (i) an award of costs should not exceed the costs incurred and (ii) a litigant in person should not be in any more favourable position in proceedings in the Registry than he would be in High Court proceedings under CRP r. 48.6. So far as the first point is concerned, I note that paragraph 8 of TPN 4/2007 now states:

Depending on the circumstances the Comptroller may also award costs below the minimum indicated by the standard scale. For example, the Comptroller will not normally award costs which appear to him to exceed the reasonable costs incurred by a party.

35. Turning to the second submission, I agree with counsel for the opponent that the hearing officer appears to have misapplied CPR r. 48.6 and to have awarded the applicant two-thirds of the scale costs he would have awarded a professionally represented litigant without reference to the applicant’s actual loss or any figure calculated in accordance with r. 48.6(4)(b).
36. In my judgment the approach which should be adopted when the Registrar is asked to make an award of costs in favour of a litigant in person is as follows. The hearing officer should direct the litigant in person pursuant to r. 57 of the 2000 Rules to file a brief schedule or statement setting out (i) any disbursements which the litigant claimed he has incurred, (ii) any other financial losses claimed by the litigant and (iii) a statement of the time spent by the litigant in dealing with the proceedings. The hearing officer should then make an assessment of the costs to be awarded applying by analogy the principles applicable under r. 48.6, but with a fairly broad brush. The objective should be to ensure that litigants in person are neither disadvantaged nor over-compensated by comparison with professionally represented litigants.

37. In the present case I directed the applicant to provide such a schedule. The applicant duly filed a schedule claiming in respect of the proceedings at first instance disbursements of £20 together with mileage of 310 miles. No specific mileage rate was claimed so I propose to apply a rate of 25p per mile, giving a figure of £77.50, making total disbursements of £97.50. The applicant also estimated that it had spent a total of 83 hours dealing with the first instance proceedings. While this seems quite a lot by professional standards, it is appropriate to allow a litigant in person more time for a particular task than a professional advisor would be allowed: *Mealing McLeod v Common Professional Examination Board* [2000] 2 Costs L.R. 223. At the rate of £9.25 an hour, 83 hours comes to £767.75. Accordingly, I shall set aside the hearing officer's costs order and substitute an order that the opponent pay the applicant the sum of £865.25 in respect of the first instance proceedings.
38. So far as the appeal is concerned, the applicant again claimed disbursements of £20 and mileage of 310 miles. It also estimated that it had spent 21 hours dealing with the appeal. Accordingly I shall order the opponent to pay the applicant the sum of £291.75 in respect of the appeal, making a total of £1157.

9 June 2008

RICHARD ARNOLD QC

Jonathan Hill, instructed by Humphreys & Co, appeared for the opponent (appellant).  
Paul and Sally Holmes of the applicant (respondent) appeared in person.