

O-316-10

**TRADE MARKS ACT 1994**  
**DECISION ON COSTS**  
**IN THE MATTER OF REGISTRATION NO 2420778**  
**IN THE NAME OF BEES SRL**  
**OF THE TRADE MARK:**

**BORRI**

**IN CLASS 9**  
**AND**  
**THE APPLICATION FOR A DECLARATION**  
**OF INVALIDITY THERETO**  
**UNDER NO 83219**  
**BY BORRI SPA**

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of the trade mark:  
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thereto under no 83219  
by Borri SpA**

### ***INTRODUCTION***

1) On the 8 July 2010 a decision on the substantive issues in this case was issued. The following finding was made in relation to costs:

“50) BSPA has been successful and is entitled to a contribution towards its costs. Mr Moody-Stuart submitted that no criticism is made of Ms Birro, who has simply acted as a mouthpiece for Bees. However, he considered that it would be manifestly unjust for BSPA to be out of pocket in respect of the evidence required to defeat the misleading and untrue account put forward at Bees behest in relation to the bad faith claim, consequently, he requested that an award of costs should be made other than on the normal scale. Mr Moody-Stuart stated that he was not seeking off the scale costs for those parts of the second witness statement which related to the passing-off claim. Taking into account the statements made on behalf of BSPA and the nature of the evidence filed to repudiate these statements, it is reasonable for the assessment of costs to take into consideration the actual costs incurred in relation to the preparation of the second witness statement of Mr Beoni as far as it relates to the bad faith issue. BSPA has two weeks from the date of this decision to submit a breakdown of the costs involved in the preparation and submission of the second witness statement of Mr Beoni. A supplementary decision will then be issued in relation to the costs. The period for appeal for both the substantive decision and the supplementary decision will run from the date of the issue of the latter decision.”

2) In response to this the representatives of Borris SpA (BSPA) submitted a letter on 21 July 2010. This letter did not give a clear breakdown of the costs claimed, nor did it distinguish between the costs relating to the claim of bad faith and the costs relating to the passing-off claim. Owing to the lack of specificity in the letter of 21 July 2010 an official letter was sent to the representatives of BSPA. The substance of the letter is found in the following paragraphs:

“Your letter of 21 July 2010 does not breakdown the costs by reference to the evidence in reply which was filed in relation to the bad faith claim, as was required. It is also noticeable that there is an absence of dates in the letter. If you still wish to make a claim to off the scale costs you will need to clearly identify expenditure in relation to the bad faith element of the evidence in reply, you will also need to show the dates when this expenditure was incurred.

You make reference to wasted costs. No request was made for such costs at the hearing. The decision as to the parameters of the costs has been set by the decision, there can be no revisiting that matter. The sole matter that can be considered is that identified in the quotation above.

If you have not furnished a breakdown of costs complying with the requirements of this letter on or before 24 August 2010 an award of costs will be made on the scale. You should send a copy of your letter to Mewburn Ellis LLP who will have up to and including 7 September 2010 to respond, if they so wish, to the contents of your letter.”

3) A letter from the representatives of Bees in relation to the issue of the costs was received on 5 August 2010. In that letter the representatives criticised the contents of the letter from the representatives of BSPA on the basis that there was no clear apportionment of the costs as required by the decision of 8 July 2010.

4) On 24 August 2010 a further letter was received from the representatives of BSPA. In that letter a further breakdown of costs is given. The letter states:

“we have limited our breakdown of costs below solely to the expense which led to the drafting of paragraphs 20 to 39 of that Statement” [the second witness statement of Mr Beoni].

5) The letter goes on to state that the cost of preparing and filing the second witness statement of Mr Beoni was high since the evidence gathering involved discussions with BSPA as to the context in which the former employees left the company. The letter states:

“The breakdown below specifies costs that were incurred solely in relation to the bad faith element. To arrive at the figures below, we have reviewed all work undertaken between April 2009 and 14<sup>th</sup> September 2009, attributing to each piece of work undertaken a percentage between 0% and 100% according to the proportion of that work that related to the issue of bad faith.”

The representatives consider that their approach to the assessment of the costs has been conservative.

6) On 7 September 2010 a further letter was received from the representatives of Bees. The letter criticised the apportionment of costs in relation to the bad faith issue. It commented that the total costs seemed surprisingly high. The letter goes on to suggest that copies of all the relevant invoices should be supplied, together with a breakdown of as to how they were calculated and an explanation as to how the proportion relating to passing-off was calculated.

7) It is not possible to see how the provision of the invoices and then an individual calculation as to the proportion of the billed amount relating to the bad faith issue would assist. The calculation of the proportion relating to bad faith would be a proportion of the billed amount, which proportion would effectively be decided by the person providing the breakdown. So the only real difference from the present position will be the presence of invoices.

8) The parts of the second witness statement under consideration here, were generated by the statement of Ms Birro, in which a legitimate reason for adopting the name was advanced. The second witness statement of Mr Beoni shows that this was an untenable claim. A valid basis for the claim of bad faith was given in the first witness statement of Mr Beoni, covered by paragraphs 17-20 of the substantive decision. Ms Birro's statement was the cause of BSPA's additional evidence in relation to this matter. Owing to the nature of Ms Birro's statement, BSPA quite reasonably adopted a belt and braces approach to substantiating the statements made in Mr Beoni's first statement. Bees caused the additional costs, the controlling minds of Bees were fully aware of the circumstances surrounding the application for registration. Owing to the evidence of Mr Birro, it was reasonable for BSPA to seek advice from counsel, as it wished and needed to cover all bases. Consequently, it is not considered that the costs incurred are surprisingly high; these costs include fees for counsel and for translations. (This is not a criticism of Ms Birro who, as Mr Mr Moody-Stuart submitted at the hearing, simply acted as a mouthpiece for Bees.) Taking these factors into account, it is reasonable and proportionate to award BSPA the costs identified in the letter of 24 August 2010. These costs amount to £9,907. 20p.

9) Costs are to be awarded to BSPA on the following basis:

Application fee:	£200
Preparing statement of case and considering counterstatement:	£200
Preparing its own evidence and considering evidence of Bees (excluding evidence for which costs outwith the scale have been awarded):	£1,000
Costs outwith the scale:	£9,907.20
Preparing for and attending hearing:	£1,000
Total	£12,307.20p

**Bees SRL is ordered to pay Borri SpA the sum of £12,307.20p. 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 case if any appeal against this decision is unsuccessful.**

**10) The appeal period for the substantive decision runs from the date of this decision.**

**Dated this 13th day of September 2010**

**David Landau  
For the Registrar  
the Comptroller-General**