

O-368-13

**TRADE MARKS ACT 1994**

**TRADE MARK APPLICATION No. 2552692**

**BY SOCIÉTÉ DES PRODUITS NESTLÉ S.A.**

**TO REGISTER A TRADE MARK IN CLASS 30**

**AND**

**OPPOSITION No. 101495 BY CADBURY UK LTD**

## Background

1. In a decision dated 20 June 2013 I upheld an opposition brought by Cadbury UK Limited against an application by Société des Produits Nestlé SA (“Nestlé”) to register a three dimensional trade mark.

2. I gave this indication as regards costs.

“112. The opposition having mostly succeeded, Cadbury is entitled to at least a contribution towards its costs.

113. I agreed to admit Nestlé’s second public survey as additional evidence on condition that it should pay Cadbury’s reasonable costs of dealing with the second [public] survey. This was because Cadbury had already borne the expense of analysing and responding to Nestlé’s first public survey, and I did not think that Nestlé should be shielded by the usual scale of costs from putting Cadbury to the potentially significant additional cost of analysing and responding to a second survey required because of the deficiencies identified in the first survey. The alternative would have been to refuse to admit the second survey as additional evidence. Nestlé did not want that. And refusing the second survey would not have allowed to me to do justice to Nestlé’s arguable case that the shape had acquired distinctiveness through long use.

114. I therefore invite Cadbury to provide me with a schedule showing the additional cost of dealing with Nestlé’s second public survey, and the cost of its witnesses attending the hearing for cross examination.

115. No one suggested at the hearing that costs should otherwise be assessed on anything other than the usual scale. Consequently, I am not expecting to receive submissions to that effect now.”

3. I allowed Cadbury 28 days to file submissions on costs and a schedule of costs, which it duly did. Cadbury claims that the total legal costs for considering, reviewing and discussing the second survey, and preparing for the part of the hearing taken up by the second survey (including dealing with the matter in a skeleton argument and cross examination of Nestlé’s survey expert) came to £11,026.24. This included counsel’s fees of £4237.50. According to Cadbury, the second survey accounted for 25% of counsel’s preparation time and 12.5% of the hearing itself. Cadbury also asks for maximum scale costs for the remainder of the proceedings, coming to £6900. Cadbury also asks for £174 to cover the cost of its expert witness, Mr Robertson attending the hearing for cross examination.

4. Nestlé also filed submissions. It says:

- i) Any decision on costs should be suspended until after the determination of the appeal it has filed.
- ii) An award of scale costs should reflect the fact that Cadbury’s opposition failed in respect of 2 of 13 product descriptions listed in the application.
- iii) The costs attributed to the second survey are excessive because:
  - a) The work required to deal with the second survey would have been reduced by the work already done on the first survey.

- b) The claim that counsel spent 25% of his preparation time on the second survey is inconsistent with the claim that only 12.5% of the hearing was spent on the second survey.

5. I do not consider that the decision on first instance costs should await the outcome of the appeals. Firstly, this would be against the usual practice. Secondly, although it may save the parties costs if the first instance decision on the substantive matters is set aside, it will increase costs if it is not. This is because a further appeal and hearing may then be necessary to contest the costs awarded at first instance. If I deal with costs now, all the matters can probably be dealt with together on appeal. I will proceed accordingly.

6. I agree with Cadbury that this case was as complex and evidence heavy as is possible in Registry proceedings. Therefore I accept that maximum scale costs are appropriate. However, for the matters that Cadbury has listed that amounts to £4300, not £6900, made up of:

Filing a statement and considering Nestlé's counterstatement	£600
Filing evidence and considering Nestlé's evidence (apart from the second survey)	£2000
Preparing for and attending the hearing	£1500
Official fees	£200

7. I agree with Nestlé that the amount awarded should reflect the failure of the opposition in respect of 2 of the 13 product descriptions. I will therefore order Nestlé to pay Cadbury £3900 in scale costs.

8. I do not accept that Nestlé's submission that dealing with the first survey should have reduced Cadbury's costs of dealing with the second survey. The first survey had glaring deficiencies. In these circumstances it cannot be assumed that Cadbury's objections to it will have significantly reduced the cost of examining the second survey, which for the reasons given in the main decision, was rather more credible evidence.

9. Nor do I accept that the time spent on the survey at the hearing (12.5%) means that Cadbury could not have reasonably spent a greater proportion of its time preparing for the hearing. It is well known that surveys are costly to prepare and also costly to review. The volume of evidence has to be carefully examined. Having done so, it may take a lot less time to explain why it is not compelling evidence. When I agreed to admit it as evidence, I directed Cadbury to maintain a separate account of the cost of dealing with the second survey. I see nothing to indicate that the costs indicated are inaccurate or exaggerated. I will therefore order Nestlé to pay Cadbury the £11,026.24 listed in its schedule.

10. There is no dispute that (subject to the appeals) Cadbury is entitled to recover the £174 travel expenses for Mr Robertson.

11. I therefore order Nestlé S.A. to pay Cadbury UK Limited the sum of £15,100.14. This sum to be paid within 14 days of the final determination of the appeals on the substance, subject to any orders issued by the court.

**Dated this 11<sup>th</sup> day of September 2013**

**Allan James  
For the Registrar**