

O/370/20

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION No 1437092

IN THE NAME OF

OLYMPUS SEISHI KABUSHIKI KAISHA (ALSO TRADING AS OLYMPUS THREAD
MFG. CO., LTD.)

FOR THE FOLLOWING TRADE MARK



IN CLASS 23

AND

OPPOSITION THERETO UNDER NO. 415892

BY

HABICO LIMITED

Introduction

1. Olympus Seishi Kabushiki Kaisha (also trading as Olympus Thread Mfg Co Ltd) (“the Holder”) is the Holder of International Registration no. 1437092 “OLYMPUS” for goods in class 23. On 14 August 2018, it filed a request to designate the UK.

2. Habico Limited (“the Opponent”) filed an opposition to this designation on 29 March 2019 under section 5(1), 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”).

3. Both parties were professionally represented throughout the proceedings; the Holder by A.A Thornton & Co, the Opponent by Boxall IPM Ltd.

4. The matter proceeded, and evidence rounds were set whereby the Opponent filed submissions and evidence as a result of it being put to proof of use of its mark for the goods relied upon. By way of letter dated 7 May 2020 the Holder notified the tribunal that it would not be filing evidence in reply but reserved the right to “put forward submissions and arguments later in the proceedings.” By way of letter dated 15 May 2020 the parties were notified that the evidence rounds were concluded and the Opponent requested a hearing. A main hearing was scheduled to take place before me on 2 July 2020 and the parties were subsequently notified of this on 1 June 2020. By way of email dated 9 June 2020 the Holder notified the Registry that “a request to withdraw the UK Designation ha[d] been filed at WIPO and therefore a hearing will no longer be necessary”. As a result of this email the hearing set for 2 July 2020 was vacated and following the Holder’s withdrawal of its designation the Opponent subsequently withdrew its opposition but requested costs be awarded in its favour. The parties were invited to file submissions on the issue. This decision therefore only relates to the distinct issue regarding the costs application made by the Opponent.

5. Having invited the parties to file submissions as to the award for costs, Boxhall IPM Ltd submitted the following on behalf of the Opponent:

Negotiations regarding this matter were initiated in March 2019 and the Opponent has spent twelve months dealing with multiple infringing uses in the UK, with very slow progress from the Applicant to negotiate resolution of the matter. In addition, the Applicant has chosen to withdraw its International Registration less than a month before the Hearing. As a result, we hereby request award of the full costs in favour of the Opponent.

6. In addition it provided invoices submitted to its client relating to the preparation and disbursements for all work undertaken in relation to the proceedings all of which it submitted fell within the amounts set out in Tribunal Practice Notice 2/2000. The Opponent's total costs claim including VAT amounted to £981.80.

7. In response A.A Thornton & Co submitted the following on behalf of the Holder:

We draw the tribunals attention to the following:

- The Opponent chose to terminate amicable settlement discussions, despite the Applicant having made genuine and sincere offers to try to settle and requesting consent to a further cooling off to continue to try to reach settlement. If the Opponent had agreed to enter into a further cooling off extension in order to avoid adversarial proceedings, it would have been at no disadvantage in terms of its rights to continue its business under its mark, or to enforce its mark, but the Opponent chose not to agree and to enter adversarial proceedings.
- Costs referred to in the Opponent's letter of 6 July which relate to exchanges of correspondence between the parties during cooling off are irrelevant in terms of the cost award.
- The application was withdrawn well in advance of the hearing in order to avoid any further costs being incurred.

Bearing in mind the above we request that no costs, or at the most minimal costs, are awarded against the Applicant in this matter.

The legislative provisions

8. Section 68 of the Act and Rule 67 of the Trade Marks Rules 2008 read as follows:

“68. (1) Provision may be made by rules empowering the registrar, in any proceedings before him under this Act –

(a) to award any party such costs as he may consider reasonable, and

(b) to direct how and by what parties they are to be paid.”

...

“67. The registrar may, in any proceedings under the Act or these Rules, by order award to any party such costs as the registrar may consider reasonable, and direct how and by what parties they are to be paid.”

9. Various Tribunal Practice Notices (“TPN”) have been issued over the years in relation to the award for costs in proceedings. In particular I take note of TPN 4/2007 in relation to undefended proceedings which state:

“9. In the past costs have been awarded against rights owners or applicants when an opposition, revocation or invalidity action has been brought without prior notice, even if the action was then undefended and the application or rights in question were immediately withdrawn or surrendered. Unless factors exist which suggest otherwise, as from 3 December 2007 costs will not be awarded against rights holders or applicants who do not defend an action in such situations.”

10. In addition TPN 2/2016 is the most recent which sets out the scale upon which any contribution of costs is to be assessed and TPN 2/2000 which enables the Hearing Officer to exceed the scale when circumstances warrant it, in particular to deal with unreasonable behaviour or delaying tactics.

11. By way of letter dated 6 December 2018 (reproduced below) the Holder was notified of the consequences of pursuing an application following any opposition being raised.

If you proceed, your designation will be published in the online Trade Marks Journal and anyone can oppose your designation should they have grounds to do so. If such action were to be successful, this would likely result in a costs award against you. Further information can be found on our website:

12. I note that the Holder had an opportunity to withdraw its designation at any stage during the proceedings. The proceedings were defended by the Holder throughout, with its designation only being withdrawn after the final hearing was listed. The proceedings were clearly not “undefended” and “immediately withdrawn” in circumstances envisaged by TPN 4/2007. I note that the Opponent notified the Holder

of its intention to oppose the registration as early as 19 March 2019 prior to the commencement of proceedings. It was open to the Holder to withdraw its designation at any time and in fact, I take particular note that the parties entered into a cooling off period which was later recommenced after the initial 9 month period. I have not been privy to the correspondence between the parties as to any negotiation or terms of settlement which led to the Holder withdrawing its designation, suffice to say however that this action consequently led to the opposition proceedings being withdrawn.

13. It is on this basis having considered the submissions filed and having regard for the TPNs that an award of costs should be granted to the Opponent because the withdrawal of the designation has resulted in it effectively being successful in so far as the outcome has been to its favour. I note that the Opponent has expended both time and money in pursuing an opposition and prepared and filed evidence as a result of being put to proof of use of its mark for the goods relied upon. However, I do not consider that the Holder's behaviour has been such that it would entitle the Opponent to off scale costs. Since no submissions have been filed alleging that the Holder has behaved unreasonably there is no reason for me to deviate from the published scale of a contribution towards the reasonable costs incurred by the Opponent as set out in TPN 2/2016. Award for costs are not intended to compensate parties for the actual expense to which they may have been put.

14. Applying this guidance, I award costs to the Opponent on the following basis:

Preparing a notice of opposition and reviewing the counterstatement:	£200
Preparing evidence and submissions:	£500
Official fee:	£100
Total:	£800

15. I order Olympus Seishi Kabushiki Kaisha (also trading as Olympus Thread Mfg. Co., Ltd.) to pay Habico Limited the sum of £800 as a contribution towards its costs. This sum is to be paid within two months of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 30th day of July 2020

Leisa Davies
For the Registrar