

**TRADE MARKS ACT 1994**

**IN THE MATTER OF UK TRADE MARK NO 3231633 IN THE NAME OF  
LAURELLE LONDON LIMITED**

**AND IN THE MATTER OF CANCELLATION NO CA 502604 THERETO BY  
KATHLEEN DEAYTON**

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**DECISION AS TO COSTS OF THE APPEAL**

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1. This is a Decision as to Costs of the Appeal following a decision issued on 8 March 2022 (O-202-22) (hereinafter “*the Decision*”) in the above appeal. The appeal was against the decisions of Mr George Salthouse, acting on behalf of the Registrar, dated 1 April 2021 (O-234-21) and his Supplementary Decision dated 11 May 2021 (O-351-21). In his decisions the Hearing Officer rejected the application for invalidity under sections 5(1), 5(2)(a) and 3(6) of the Trade Marks Act 1994 (“*the 1994 Act*”) and went on to hold that Ms Kathleen Deayton (“*Ms Deayton*”) to pay Laurelle London Limited (“*the Proprietor*”) the sum of £21,800 by way of an award of off-scale costs.
2. As set out in the Conclusion at paragraph [104] of the Decision the appeal against the Hearing Officer’s Decision and Supplementary Decision were rejected.
3. At the end of the substantive hearing of the appeal it was agreed that it was not appropriate for a decision to be made on the costs of the appeal without providing the parties with a proper opportunity to make submissions. In those circumstances directions were given in paragraph [105] of the Decision as follows:
  - (1) On or before 4 pm on Tuesday 29 March 2022 the Proprietor must confirm in writing whether or not they are claiming costs other than on the standard scale.
  - (2) In the event that the Proprietor confirms that they intend to seek an order for off scale costs then on or before 4 pm on Tuesday 29 March 2022 they must:
    - (a) provide a signed statement of costs itemising the actual costs upon which they intend to rely for that purpose; and
    - (b) provide a reasoned statement in support of their request for costs to be awarded to them on an off-scale basis.

(3) On or before 4 pm on Tuesday 12 April 2022 Ms Deayton should provide any written submissions that she would wish to make in response to the application for costs.

4. On 24 March 2022, pursuant to the directions given in paragraphs 105(1) and (2) of the Decision, a document entitled 'Proprietor's Submissions on Costs' was provided. The document was signed and dated by the Proprietor's Representatives. In its submissions the Proprietor maintained its request an order for its off scale costs of the appeal.
5. Exhibit 1 to the Proprietor's Submissions on Costs contained a table of costs which was made up of a single figure for Counsel's fees and a single figure for trade mark attorney's fees. No further breakdown was provided. The total costs claimed by the Proprietor on an off the scale basis were in the sum of £6,275.
6. The Proprietor's Submissions on Costs set out the reasons relied upon in support of the application for off scale costs. The submissions also cross-referred back to the written submissions contained in the skeleton of argument that had been filed for the purposes of the hearing of the substantive appeal and which contained submissions as to the appropriate order for the costs of the appeal.
7. The basis upon which an application for an off the scale award of costs on appeal was maintained was the unreasonable conduct of Ms Deayton. The conduct cited in support of this was in summary that:
  - (1) Ms Deayton's initial grounds of appeal were deficient.
  - (2) The Proprietor therefore had to apply to strike out the Grounds of Appeal which resulted in directions being given in which Ms Deayton was directed to file a Summary (a) identifying by reference to each particular paragraph number of the Hearing Officer decisions which it is proposed to challenge on appeal; (b) specifying in relation to each such paragraph the error or errors it is said to contain; (c) identifying each piece of evidence that it is said that Hearing Officer has not taken into consideration and where such evidence may be found in the materials that were before the Hearing Officer; and (d) identifying each fact or matter upon which it is contended on this appeal that the Hearing Officer did not conduct a fair and proper hearing.
  - (3) The directions with regard to the contents of the Summary were almost entirely ignored in the document filed.
  - (4) Ms Deayton's conduct in bringing the appeal had to be seen in the context of the cancellation as a whole namely that the application for cancellation was the second attempt by Ms Deayton to prevent the Proprietor's mark from being on the register of trade marks.

8. By an email dated 11 April 2022, Ms Deayton's representatives requested an extension of time for the filing of her written submissions in response to the application for costs. By email later that day an extension of time was granted until 4 pm on Thursday 21 April 2022 for the aforesaid submissions to be filed.
9. On Thursday 21 April 2022 extensive written submissions were filed on behalf of Ms Deayton. A significant portion of those written submissions were directed not to the issue that remained for determination, namely the question of the correct order for costs of appeal, but instead were directed to various other issues including those relating to the costs orders made below and which were upheld in the Decision.
10. The final paragraph of the written submissions largely encapsulates the position maintained on behalf of Ms Deayton as follows (emphasis as in the original):

We await the Appointed Persons (sic) decision on costs bearing in mind that [Ms Deayton] is also seeking an award of costs off scale in relation to the Proprietor's unreasonable behaviour and unreasonable objections and false accusations regarding [Ms Deayton's] alleged unreasonable behaviour, which is still not admitted or proven otherwise, regardless of the outcome and that the Proprietor has ignored [the Appointed Person's] instructions to provide a signed statement of costs, itemising the actual costs upon which it intended to rely for all the extra work it says it had to do, for that purpose, therefore, it should not be granted an order for off scale costs.

11. It is worth emphasising at this point that it is maintained on behalf of Ms Deayton that there was no unreasonable conduct on her part in relation to the conduct of the appeal and that any deficiency in the original Grounds of Appeal was as a result of incorrect advice on the part of the UKIPO.
12. So far as unreasonable conduct by the Proprietor in relation to the conduct of the appeal was concerned in essence it is said that (1) the Proprietor's requests for an extension of time to file a Respondent's Notice made to the Appointed Person as opposed to, as indicated by the Appointed Person, to the Registrar in the first instance; and (2) having obtained an extension of time to file a Respondent's Notice then electing not to serve such a notice resulted in delay and in Ms Deayton's representatives having to engage in further work in pointing out the unreasonableness of such behaviour.
13. So far as the Proprietor failed to comply with the directions given in paragraph [105] of the Decision is concerned it is, in summary, maintained on behalf of Ms Deayton that the exhibit to the Proprietor's Submissions on Costs:

- (1) Was not signed; and

- (2) Did not specifically itemise the actual costs for the extra work that the Proprietor had to do as a result of Ms Deayton's alleged unreasonable behaviour.
14. By email dated 22 April 2022 the parties to the appeal were given until 4 pm on Wednesday 27 April 2022 to request a hearing before the Tribunal pursuant to paragraph [106] of the Decision.
15. Neither party requested a hearing. Accordingly, this Decision as to Costs of the Appeal has been made on the basis of the written materials that are before me.
16. With regard to the position with regard to the award of off scale costs a convenient summary of the approach is set out in a decision of Geoffrey Hobbs sitting as the Appointed Person in Edge Interactive (O-295-14) at paragraphs [9] to [13] which were set out in the Decision at paragraph [88] and are therefore not set out again here.
17. The general position with regard to the approach to costs has more recently been set out in another decision of Geoffrey Hobbs QC sitting as the Appointed Person in AMAR GAYO COFFEE TM (O-257-18) at paragraphs [12] to [14] as follows:

12. Section 68(1) of the Trade Marks Act 1994 establishes that:

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.

Rule 67 of the Trade Marks Rules 2008 accordingly provides that

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.

13. The long established practice in Registry proceedings is to require payment of a contribution to the costs of a successful party, with the amount of the contribution being determined by reference to published scale figures. The scale figures are treated as norms to be

applied or departed from with greater or lesser willingness according to the nature and circumstances of the case. The use of scale figures in this way makes it possible for the decision taker to assess costs without investigating whether or why there are: (a) disparities between the levels of costs incurred by the parties to the proceedings in hand; or (b) disparities between the levels of costs in those proceedings and the levels of costs incurred by the parties to other proceedings of the same or similar nature. The award of costs is required to reflect the effort and expenditure to which it relates without inflation for the purpose of imposing a financial penalty by way of punishment on the paying party.

14. The provisions of Rule 67 noted in paragraph 12 above apply via Rule 73(4) 'to the person appointed and to proceedings before the person appointed as they apply to the registrar and to proceedings before the registrar.' The Appointed Persons usually follow the approach indicated in paragraph 13 above when considering what it would be 'reasonable' to award by way of costs in relation to the appeals which come before them under s.76 of the Act. It is necessary to emphasise in that connection that the scale figures published by the Registry do not have the force of statute. They do not limit – on the contrary they are subject to – the exercise of judgment and discretion which the decision taker should bring to bear in relation to the case at hand when giving effect to the applicable statutory provisions
18. As indicated by the case law set out above the long established practice is that the successful party should be paid a contribution towards its costs by the unsuccessful party. Ms Deayton was unsuccessful in her appeal against both the Decision and the Supplemental Decision of the Hearing Officer below.
19. The starting point is therefore that the Proprietor is entitled to a contribution to its costs of the appeal.
20. The Proprietor has made an application for off scale costs of the appeal. They appear to be seeking an award that would amount to full compensation of the costs incurred on the appeal. There is certainly nothing in the materials before me to suggest otherwise.
21. Furthermore, as correctly pointed out on behalf of Ms Deayton (1) no relevant itemisation has been provided at all; and/or (2) no material has been filed on behalf of the Proprietor to explain what 'extra costs' can be attributed to what is alleged to be the unreasonable behaviour of Ms Deayton in the conduct of the appeal.

22. In so far as it is submitted on behalf of Ms Deayton that there has been a failure by the Proprietor to comply with the directions as the Proprietor had not filed a signed statement of costs, that does not seem to me to be fully accurate. It is true that the table setting out the statements of costs does not carry a signature. However, the table of costs is contained in an exhibit to the submissions which are signed and the exhibit is described in the paragraph 4 of the written submissions as follows (emphasis in the original):

The proprietor includes at **Exhibit 1** a breakdown of the costs incurred and claimed specifically in relation to the Proceedings Costs. It is confirmed that the costs outlined at **Exhibit 1** do not exceed the sums which the Proprietor is liable to pay.

23. In addition, there is no indication that the costs relating to the procedural aspects of the timing of the filing of a Respondent's Notice, no such Notice being ultimately filed, having been deducted from the costs claimed.

24. In the circumstances it seems to me that the correct approach to be adopted with respect to the costs of this appeal is as set out in paragraphs [13] and [14] in AMAR GAYO COFFEE TM (above) and in doing so to look objectively at the tasks that the Proprietor realistically needed to perform in order to deal efficiently and effectively with Ms Deayton's appeal, having regard to how the appeal was *actually* conducted. This also requires me to have regard to the conduct of the Proprietor in the context of the appeal.

25. With respect to the Respondent's Notice, the Proprietor's conduct was not ideal. However, on any view the costs associated with that aspect of the appeal will have been relatively small for both the Proprietor and Ms Deayton and certainly not of an amount that could displace the presumption that the Proprietor is entitled to a contribution with respect to its costs of the appeal.

26. Nonetheless, I take the view that this is a factor that I must take into account when exercising my discretion as to the level of contribution of costs that the Proprietor is entitled to.

27. Save for that one small point, I can see no basis for the submission made on behalf of Ms Deayton that she is entitled to an order for costs whether off scale or otherwise by way of a contribution to her costs of the appeal in which she was unsuccessful.

28. For the avoidance of any doubt, I should make clear that I do not regard points made as to the alleged unreasonableness of either parties' conduct prior to the commencement of the present appeal are relevant to the determination of the question of the costs of the appeal.

29. I also remind myself that the fact that an appellant has lost an appeal does not make their actions in bringing the appeal unreasonable.

30. In all the circumstances, looking at the matters in the round, having regard to the costs scale and doing the best I can on the basis of the information and materials before me, I consider that it would be reasonable to order Ms Deayton to pay £2,200 as a contribution towards the Proprietor's costs of the appeal. That sum is to be paid within 28 days of the date of this decision. It is payable in addition to the sum of £21,800 awarded to the Proprietor by the Hearing Officer in respect of its costs of the Registry proceedings.

EMMA HIMSWORTH Q.C.  
Appointed Person

12 May 2022