

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 2530115 BY ASOS PLC TO REGISTER THE TRADE MARK “ASOS” IN CLASSES, 3, 8, 9, 11, 14, 18, 21, 25, 26, 35 & 36**

**AND IN THE MATTER OF OPPOSITION NO. 100351 THERETO BY ANSON’S HERRENHAUS KG**

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### **DECISION**

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#### Introduction

1. In a decision dated 3 October 2011, the Registrar’s hearing officer, Mr George W. Salthouse, rejected an opposition brought under section 5(2)(b) of the Trade Marks Act 1994 against the Applicant’s trade mark application no. 2530115 (for the word ASOS), based on three earlier Community trade marks for the mark ANSON’S, ordering the Opponent to pay the Applicant £1,800 as a contribution towards its costs.
2. On 28 October 2011, the Opponent, represented by Bird & Bird LLP, filed a Form TM55 comprising a Notice of Appeal to the Appointed Person, with a detailed Statement of Grounds, setting out a number of bases on which the hearing officer was said to have erred in reaching his decision. The case came to me in February 2012 and, following consultation with the parties’ representatives, a hearing was fixed for 22 May 2012.
3. On 16 May 2012, Bird & Bird gave notice that the Opponent wished to withdraw the appeal and asked for the hearing to be vacated. This was done.
4. The result is that the application in issue should proceed to registration. However, there remains a dispute on costs.
5. For convenience, I shall continue to refer to the parties as the Applicant (the Respondent in the appeal) and the Opponent (the Appellant).

#### Applicant’s request for costs “off the scale”

6. Following the Opponent’s withdrawal of the appeal, the Applicant’s representatives, Dechert LLP, sent a letter stating that the Applicant would be seeking an Order for costs “off the scale” in view of the late withdrawal.

7. Having received notice of the Applicant's intention, I wrote to the parties on 15 August 2012 in the following terms:

“As I understand the position, the opposition failed and the Opponent was ordered to pay £1,800 in scale costs as a contribution to the Applicant's costs in defending the opposition, payable within 7 days of final determination of the case (subject to any order in the appeal). Now that the appeal has been withdrawn, subject to considering any submissions to the contrary, I believe that the Registrar's order should be carried out and the £1,800 be paid.

As far as the costs of the appeal are concerned, had the Opponent pursued the appeal and lost, it is likely that I would have made an order for costs on the basis of the scale fees set out in TPN 6/2007,<sup>1</sup> subject to any well-founded application for costs to be awarded off the scale. The mere fact that the appeal was withdrawn before the hearing – even as close as 6 days before the hearing – does not at first blush persuade me that an award should be made off the scale, though I would consider any explanation of the time and cost actually incurred in the light of the closeness to the hearing. Although I do have the ability to award costs off the scale, I would only normally do this if there had been unreasonable behaviour, delaying tactics or other breaches of the rules.”

8. I went on to invite the Applicant to “set out briefly in writing what costs it seeks in the appeal (including any variation of the costs order below), explaining the basis for any request for costs off the scale” within 14 days, and gave the Opponent a further 14 days in which to make any submissions in response. I indicated that I would then decide the matter without a hearing.
9. Dechert, for the Applicant, sent written submissions in a letter dated 29 August 2011. Since they are fairly short, I reproduce them here in full:

“The opposition was utterly misconceived and baseless (this much is evidenced by the clear and robust ruling of the Hearing Officer which was never likely to be overruled on appeal). It was only ever a tactical attempt to delay the registration of the Trade Mark (in support of this we draw your attention to the numerous extensions of time sought by the Opponent in these proceedings and its general attempts to continually delay the determination of the opposition) in our client's home market to try and secure leverage over our client (the parties are involved in several disputes elsewhere internationally).

Despite the clear and robust ruling of the Hearing Officer, the Opponent the filed a spurious appeal which it knew had very little chance of success, hence its withdrawal of the appeal at the very last minute. The filing of the appeal was a continuation of the Opponent's tactical attempt to delay the registration of the Trade Mark in order to continue to try and secure leverage over our client. We submit that the Opponent never had any genuine intention of properly pursuing the appeal. Whenever possible the Opponent has sought to

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<sup>1</sup> This was a typographical error and should have read TPN 4/2007.

manipulate the system to the detriment of our client, both financially and commercially. It is on these bases that we seek an order for costs “off the scale”. Abuse of the system of this kind should not stand.”

10. No submissions were received from the Opponent.

### Discussion

11. The Registrar has for very many years adopted a practice of awarding contributions to costs based on a published scale. This practice is described and explained in two Tribunal Practice Notices issued by the Intellectual Property Office, TPN 2/2000 and TPN 4/2007, both entitled “Costs in proceedings before the Comptroller”.

12. It is not clear to me from the Applicant’s submissions whether I am being invited to vary the hearing officer’s order for costs or simply to make an order off the scale in relation to the withdrawn appeal. However, since the Applicant complains about the Opponent’s conduct in relation to the Opposition generally, I shall assume that the costs of both stages are in issue.

### First instance costs

13. As regards the first instance costs award, it is clear that the Registrar has a wide discretion to award costs, with no fetter other than the overriding one that he must act judicially. Further, notwithstanding the ‘norm’ of awarding scale costs, the Registrar has the power to order compensatory costs in appropriate cases, for example if he were satisfied that his jurisdiction was being used other than for the purpose of resolving a genuine dispute. (See *Rizla Ltd’s Application* [1993] RPC 365 at 374.)

14. As indicated in TPN 4/2007, the ability to award costs off the scale means that the Registrar can deal proportionately with breaches of rules, delaying tactics or other unreasonable behaviour.

15. The points made by the Applicant are that:

- (1) the Opposition was utterly misconceived and baseless; and
- (2) it was a tactical attempt to delay registration in the Applicant’s home market to try and secure leverage over the Applicant.

16. These points are two sides of the same coin and I shall deal with them together.

17. The outcome of the Opposition was a clear “win” for the Applicant. While the hearing officer found that some of the goods and services in the specification for the Application were identical or very similar to those for which the Opponent’s earlier marks were protected, he found that the marks ASOS and ANSON’S were “overall, totally dissimilar” and concluded that there was no likelihood of confusion.

However, he gave no indication that he thought the Opposition was not a genuine dispute about the trade marks in issue, or was a try-on or otherwise an abuse of process.

18. It is clear from the file that the Opposition was indeed part of a wider dispute across different jurisdictions, and that the dispute relates to the parties' respective ASOS and ANSON'S trade marks. It is also apparent from the Opponent's skeleton argument from the main hearing that it has had some success in the past in a German court in obtaining preliminary injunctions against ASOS for trade mark infringement. I have no idea whether those injunctions were subsequently upheld, or whether other Courts may have ruled against any infringement, but that does not matter. The overall picture is one of a genuine trade mark dispute, of which the Opposition was a part.
19. The Applicant has not presented any evidence that any extensions of time requested by the Opponent were unjustified; nor has it given particulars of the alleged "general attempts to continually delay the determination of the opposition". The Registrar would only have granted extensions that were concluded to be justified at the time. Further, a Case Management Conference was held in the proceedings, which is a means by which the Registrar can keep the proceedings on track, and is not indicative of a party controlling the process in an inappropriate way.
20. The hearing officer was in a better position than I to assess the genuineness of the dispute and any points to be made about first instance costs, having conducted an oral hearing at which the Applicant was represented by Counsel and the Opponent by a partner of Bird & Bird. The parties had the opportunity to make submissions as to costs, and he made a ruling based on the usual scale fees. He stated that he had factored in the costs associated with an earlier interlocutory hearing and gave the following breakdown of the contribution to be made by the Opponent to the Applicant's costs:

Preparing a statement and considering the other side's statement	£200
Preparing evidence and considering and commenting on the other side's evidence	£800
Preparing for and attending a hearing	£800
TOTAL	£1,800

21. In all the circumstances, this seems to me to have been a perfectly reasonable approach, and one which I am not persuaded that there is any reason to overturn.

Appeal costs

22. Turning to the question of the appeal costs, the Applicant asserts: that the appeal was "spurious", with "very little chance of success"; that the Opponent had no genuine

intention of properly pursuing the appeal, as evidenced by its late withdrawal; and that this was all part of its tactical delays and manipulation of the system in order to try to secure leverage over the Applicant.

23. While it is true that the hearing officer had come down firmly on the side of the Applicant, there are many examples of cases where apparently clear determinations have been overturned on appeal. Further, even if the prospects of success in an appeal are poor, that does not mean that the appeal is spurious. A party may decide that the potential benefits of success make it worth pursuing an appeal that has poor chances. That party risks an adverse costs result if it loses, but should not be held to be manipulating the system simply because it takes the chance that it might succeed.
24. In this case, a reasonable amount of effort must have gone into drafting the Opponent's Notice of Appeal and detailed grounds, which are similar to many other appeal grounds that I have seen in the past. The Notice of Appeal was submitted by a reputable law firm, Bird & Bird, and there is nothing on the file to indicate that the Opponent did not have a genuine intention to pursue the appeal at the outset.
25. In the absence of detailed knowledge of what was taking place either in the overall dispute between the parties or behind the Opponent's closed doors, any attempt to work out the reason for the late withdrawal of the appeal is speculation. I am unable to draw the inference that this was always the Opponent's plan and thus the appeal was a delaying tactic or some other abuse of the system. So I am not persuaded that this factor either alone or in combination with the Opponent's requests for extensions in the past are sufficient to justify a costs award off the usual scale. So I go on to consider what the scale costs should be.
26. I cannot award costs in respect of an appeal hearing attendance that did not happen, but I had expected to be given some details of costs incurred by the Applicant in the final preparation for the hearing which could have been avoided had the appeal been withdrawn sooner. However, despite my invitation to the Applicant to tell me what costs were sought, no figures were given to me. I was not even told if Counsel had been instructed and/or whether work had begun on the skeleton argument, which was due two days later.
27. The Applicant's representatives clearly had to consider the Notice of Appeal and whether to file a Respondent's Notice (though it did not file one), for which I shall allow £300. In the absence of information about any pre-hearing preparation, I shall simply allow an additional sum of £200 for the steps that the Applicant had to take consequential to the withdrawal of the appeal, including making its request for a costs award, albeit one which is less than it wanted.

Conclusion

28. In summary, I uphold the first instance decision that the Opponent must pay the Applicant the sum of £1,800 and I order the Opponent to pay the additional sum of £500 in respect of the withdrawn appeal. The full sum of £2,300 must be paid within 14 days of the Opponent receiving notice of this decision.



ANNA CARBONI

31 October 2012

The Opponent (Appellant) was represented by Bird & Bird LLP.

The Applicant (Respondent) was represented by Dechert LLP.