

O-467-16

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3098146
BY AMIRA PURE FOODS PRIVATE LIMITED
TO REGISTER THE TRADE MARK:**

BASMATI BUS

IN CLASS 43

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 404611 BY INDO EUROPEAN FOODS LIMITED**

SUPPLEMENTARY DECISION

BACKGROUND

1. On 9 August 2016, an interim decision was issued in these proceedings (BL O/378/16). In that decision, the hearing officer stated:

“58) Having found that the opponent has established goodwill and that there is a likelihood of misrepresentation and damage, this would typically result in the opposition succeeding and that being the end of the matter (subject to appeal). However, as previously stated the applicant filed an amendment to its specification. During the hearing Mr Bechem confirmed that the applicant’s intention with the specification amendment was to limit any rice supplied through services offered under the mark to basmati. I have already established that the specification limitation did not have the desired effect. If the specification was amended, as was intended, to limit any rice that is served to being basmati rice the position would be entirely different.

59) As I have stated above, the likelihood of misrepresentation has been caused by virtue of the term basmati being used for the provision of food which may contain rice not being basmati as defined by the Code. However, if the rice being served was basmati this cannot be deceptive and will not result in damage. On this basis, if the applicant were to amend its specification as follows the opposition fails. This should be done within 14 days of the date of this decision. If the applicant does not amend the application (as below) it shall be refused in its entirety:

“Class 43: Restaurant and cafeteria services, any food containing rice being basmati rice as defined and covered by the Rice Association’s code of practice on basmati rice; provision of food and drink in restaurants and via mobile trucks, any food containing rice being basmati rice as defined and covered by the Rice Association’s code of practice.”

60) In the event the applicant proposes a further amendment other than the above, I will allow the opponent 14 days to comment on the proposal before I decide whether it is acceptable. I will then issue a final decision.

COSTS

61) At this stage I shall refrain from deciding costs. Instead I allow the parties 21 days from the date shown below to file any comments (if they wish to do so) they may have on costs. I shall then issue a final decision”.

2. On 17 August 2016, the applicant wrote to the Tribunal in the following terms:

“The applicant has filed for the limitation requested in the supplementary decision by Mark King of 09 August 2016 and agrees with the same. Please find the relevant form TM21B attached”.

The form TM21B reproduces the specification proposed by the hearing officer at paragraph 59 of his decision, above.

Conclusion

3. The applicant having agreed to the limitation proposed by the hearing officer, the mark will proceed to registration with the following specification:

Class 43: Restaurant and cafeteria services, any food containing rice being basmati rice as defined and covered by the Rice Association’s code of practice on basmati rice; provision of food and drink in restaurants and via mobile trucks, any food containing rice being basmati rice as defined and covered by the Rice Association’s code of practice.

Costs

4. In accordance with the hearing officer's decision, the opponent filed its submissions on costs on 30 August 2016.

5. The opponent submits that it should be awarded costs as follows:

“1. Preparing its statement and considering the applicant's statement in the maximum amount permitted by the current scale, namely £650.

2. Preparing its evidence in the maximum amount permitted by the current scale, namely £2,200.

3. Preparing for and attending the hearing, on a compensatory basis, in the amount of £7,767.75 as set out in the costs schedule attached as Annex A, alternatively in the maximum amount permitted by the current scale, namely £3,380”.

6. The opponent posits two main points in support of its request. The first is that:

“The Applicant expressly requested the Opponent to prove that right existed in the name BASMATI and this required the preparation and filing of substantial evidence. [...] none of the evidence was unnecessary. As stated in our letter to the Registry of 23 November 2015, a considerable amount of evidence was necessary to prove that goodwill did exist. Therefore the Opponent should be awarded its costs for preparing its evidence in the maximum amount allowed by the current scale” (p. 3).

7. The second point on which the opponent relies is that:

“Had the Applicant before the hearing restricted the class 43 specifications on the basis proposed by the Hearing Officer (or on another sufficiently clear basis), there would have been no need for a hearing. Instead, the Applicant continued to deny the Opponent’s grounds of opposition (despite having filed no evidence to the contrary) and to argue that its amendment was sufficient, and the Hearing Officer found against it on all issues. As a result of this unreasonable behaviour, the Opponent incurred the costs preparing for and attending the Hearing set out in Annex A, and should be awarded these costs on a compensatory basis” (p. 3).

8. The opponent’s references in its submissions to “the current scale” appear to mean Tribunal Practice Notice (“TPN”) 2/2016. However, paragraph 3 of that TPN indicates that the Notice will apply to proceedings commenced on or after 1 July 2016. The instant proceedings having begun on 29 June 2015, the relevant Notice is TPN 4/2007. That TPN indicates that the tribunal has a wide discretion when it comes to the issue of costs, including, inter alia, making awards above or below the published scale where the circumstances warrant it.

9. In *WM Morrison Supermarkets plc v Nisa-Today’s (Holdings) Limited* (BL O/197/11), Amanda Michaels, sitting as the Appointed Person, considered the awarding of costs in Registry proceedings. She said:

“22. The starting point for the exercise of the discretion, as set out in CPR 44.3 and reflected in *Johnsey*, is that costs should follow the event. As CPR 44.3(2)(a) puts it “the general rule is that the unsuccessful party will be ordered to pay the costs of the successful party”. Nevertheless, as CPR 44.3(4) indicates, the judge “must have regard to all the circumstances” which may include “whether a party has succeeded on part of his case, even if he is not be wholly successful”. The court may therefore make different orders for the costs incurred in relation to discrete issues and should

consider doing so where a party has been successful on one issue but unsuccessful on another.

[...]

Approaching the matter in accordance with CPR 44.3, it seems to me that NISA ought be considered the successful party and to have its costs, subject to a deduction of an amount to reflect the fact that it was not wholly successful in the invalidation application or in respect of the opposition based on sub-section 5(2)(b). NISA was only unsuccessful in both the invalidation and opposition proceedings in relation to a fairly narrow range of goods, yet in my judgment some credit should be given to Morrisons to reflect the result. Without a breakdown of the parties' costs by reference to the issues, a process which it would be disproportionate to ask the parties to undertake at this stage, making such a reduction is necessarily a rough and ready process. Doing the best I can, in my judgment it would be appropriate to reduce the costs awarded to NISA by 20% to reflect its partial level of success (save as stated in sub-paragraph 27(d) below)".

10. I accept that the opposition would have succeeded in full if the applicant had not agreed to amend its specification. However, the applicant has agreed to amend its specification and the mark will remain on the Register but with a limitation. It seems to me that both parties have had some success. Moreover, this is not a case where one party has been successful in relation to, for example, a proportion of classes or a certain number of grounds pleaded. In my view, a rough and ready assessment of each party's success in this case leads to the conclusion that the parties have been successful in broadly equal measure and that, consequently, no award of costs should be made.

11. On the issue of costs for evidence, the opponent complains that the applicant requested the opponent prove its case and asks for the scale maximum. The scale allows for "preparing evidence and considering and commenting on the other side's

evidence”, setting a range between £500 and £2000. The opponent was required to file evidence, given its pleaded grounds.¹ Even though it was not necessary for the applicant to request that the opponent prove its case, it does not seem to me to be extraordinary or unreasonable that the applicant did so. I note that applicant filed the limitation to its specification after the opponent’s evidence was admitted. However, given the unusual nature of the goodwill claimed, it was, in my view, reasonable for the applicant to require the opponent to show that there was any goodwill under “Basmati” before amending the application. The opponent has said that “a considerable amount of evidence was necessary to prove that goodwill did exist”. It cannot, of course, expect the applicant to contribute towards the costs incurred by the opponent in reducing its evidence to conform to evidence limits set by the Tribunal. I have reviewed the admitted evidence, which strikes me as typical of that filed in Registry proceedings. The applicant did not file evidence and I do not consider that it can be accused of increasing the opponent’s costs by causing it either to consider or to file unnecessary evidence. I am not persuaded that an award is warranted in respect of the opponent’s evidence.

12. With regard to the hearing, the opponent states that “[d]espite being informed that amendment made to this specification on 8 April 2016 was unacceptable, the Applicant did not propose any further amendment to the specification” (p.2). The opponent argues that the hearing could have been avoided if the applicant had filed an acceptable restriction (p. 3). The file shows that the Tribunal wrote to the parties on 8 April 2016 and confirmed that the amendment had been effected. The opponent emailed the Tribunal on the same day, seeking confirmation of the date of publication of the amendment on the IPO website. The opponent’s letter of 14 April 2016 challenged whether the Registry ought to have published the amendment for opposition and stated that:

“Our client’s position is that the amendment is not is not [sic] acceptable in the light of applicable case law and practice. However, given that our client

¹ Under Rule 20(2) of the Trade Marks Rules 2008, the opponent must file evidence to support an opposition under section 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

proposes to continue with this opposition in any event, it would be more proportionate and cost-effective to present its arguments in relation to this amendment at the main hearing of the opposition, along with its substantive arguments in relation to the opposition.

Accordingly the purpose of this letter is to inform you and the applicant that:

1. Our client will continue with the opposition notwithstanding the amendment of the class 43 specification of the above application.
2. Our client's rights to object to this amendment are hereby reserved and will be made at the main hearing of this opposition".

13. Further correspondence from the Tribunal followed, in which the Tribunal's position on the amendment was set out (i.e. that it was acceptable and had been processed correctly). The opponent responded on 26 April 2016. It said, "[f]or the avoidance of doubt, our client's rights to object to the applicant's amendment of the class 43 specification remain fully reserved".

14. It is clear from the papers on file that the first time that the opponent set out its objections to the amendment in any detail was in its skeleton argument. The hearing officer found that the specification had not successfully limited any rice served to Basmati rice (the applicant's intention) but did not agree with the opponent that the wording of the amendment was contrary to the relevant case law (paragraph 31 of the original decision).

15. In circumstances where the opponent did not set out its objection to the wording of the amendment in full and in good time, and particularly where the opponent actually elected to reserve the matter for discussion at the hearing on the grounds that it would be "more proportionate and cost-effective", it would clearly be inappropriate for compensatory costs to be awarded against the applicant in relation to the hearing. Indeed, I do not consider that any award against the applicant is justified.

16. The applicant filed submissions on 31 August 2016, one day after the deadline. Its letter is a response to the opponent's submissions on costs. It is not acceptable to file submissions late and in response to those filed by the other party. Although I have read the applicant's submissions, their content does nothing to disturb my preliminary view. The applicant has not made a specific request for costs but indicated that it was "content to leave it to the Registrar to decide whether the applicant should be awarded costs". It will be apparent from the foregoing, paragraph 10 in particular, that I do not consider such an award appropriate.

17. The request for an award of costs is rejected. The parties are to bear their own costs.

18. The period for appeal against the substantive decision runs concurrently with the appeal period for this supplementary decision on costs.

Dated this 4th day of October 2016

**Heather Harrison
For the Registrar
The Comptroller-General**