

O-495-21

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3506463
BY ORIGIN ENTERPRISES PLC
TO REGISTER THE FOLLOWING TRADE MARK:**

SULFA CAN

IN CLASS 1

AND

**OPPOSITION THERETO UNDER NO. 421935
BY YARA INTERNATIONAL ASA**

BACKGROUND AND PLEADINGS

1. On 30 June 2020, Origin Enterprises plc (“the applicant”) filed trade mark application number UK00003506463 for the mark shown on the cover page of this decision. The application was accepted and published for opposition purposes on 31 July 2020, in respect of “Chemicals used in industry, science, agriculture, horticulture and forestry; manures and fertilisers” in class 1.
2. On 21 September 2020, the applicant filed a Form TM21B restricting its specification to “Manures and fertilisers” in class 1 and the amendment was published on 25 September 2020.
3. On 28 September 2020, Yara International ASA (“the opponent”) filed a Notice of threatened opposition on Form TM7a (“TM7a”), notifying the applicant of its intention to file an opposition against its application.
4. In an official letter dated 28 September 2020, sent to the applicant, and accompanied by the TM7a, the Registry wrote as follows:

“Following publication of your trade mark application, the Intellectual Property Office has received a form TM7a “Notice of threatened opposition” from a third party, a copy of which is attached. The “Notice of threatened opposition” is directed against the entire application. The form was submitted within two months of the date on which your mark was published in the Trade Marks Journal, and has therefore been accepted.

The filing of a form TM7a does not mean that your application has been opposed by the filer, nor does it commit the filer to actually opposing your application. It means that the period for the filer of the TM7a to oppose your trade mark has been extended to three months beginning with the date on which the application was published.

As a form TM7a has been filed against your application, it is possible that an opposition will be launched in the near future. It is therefore important

that you are aware of the costs which may be incurred in defending your mark. Where an opposition succeeds, the applicant is normally ordered to make a contribution towards the costs of bringing the opposition, including the opposition filing fee. Similarly, where an opposition fails, the opponent is normally ordered to pay a contribution to the applicant's costs of defending its application [my emphasis].

An opponent is expected to give an applicant reasonable notice of its intention to oppose the application in order to provide the applicant with an opportunity of withdrawing it without incurring any liability for costs. This letter confirms that a third party is threatening to oppose your mark, and therefore provides you with notice [my emphasis].

At this stage, the Intellectual Property Office cannot comment on the likely success or failure of an opposition, nor is it suggesting that you should withdraw your application. You may want to consider obtaining professional advice from your solicitor or trade mark attorney before you make any decisions at this stage. If you do not have a professional advisor in such matters you may want to refer to the list of useful links below.

Further information and guidance notes relating to the opposition procedure can be found on our website [...].”

5. The opponent subsequently filed a Form TM7 (“TM7”) on 2 November 2020, opposing the application on the basis of sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

6. On 22 November 2020, the Registry served the TM7 on the applicant. The deadline for the applicant to file its Form TM8 (Notice of defence and counterstatement) (“TM8”) was 11 January 2021, communicated by the Registry in the serving letter.

7. The applicant did not file a TM8 by the deadline and so, in an official letter dated 28 January 2021, the Registry advised both parties of its preliminary view to deem the application as abandoned. Either party, if it disagreed with the preliminary view, was

to provide full written reasons and request a hearing by 11 February 2021. No response was received from the applicant and so the application was withdrawn (communicated to both parties by way of an official letter dated 26 February 2021).

8. In an email to the Registry dated 23 February 2021, the opponent requested an award of costs, which read as follows:

“We refer to your letter of 28 January 2021 advising that the Applicant did not file a defence within the prescribed period. Furthermore, we note that the deadline for the Applicant to request a hearing to contest the preliminary view expired on 11 February 2021, and to the best of our knowledge, a hearing request has not been submitted.

In view of the above, we hereby request on behalf of the Opponent that an award of costs is made in its favour.”

9. In an official letter dated 2 March 2021, sent to both parties, the Registry confirmed that the opponent had sought an award of costs and requested both parties submit their comments in relation to costs by 16 March 2021.

10. In an email to the Registry dated 15 March 2021, the applicant provided the following comments in relation to costs:

“We are very surprised that Stobbs IP Limited has written to you seeking an award of costs in this case when it is clear from the

‘Guidance: Objecting to other peoples trade marks and the legal costs’ on your website that ‘no costs will normally be awarded to successful opponents if they don’t give the applicant a chance to withdraw their application before filing the opposition and the opposition goes undefended’.

Stobbs IP Ltd. did not indicate to us that an opposition was been (sic) contemplated and our client had no opportunity to withdraw its application to avoid the opposition.

In the circumstances, we respectfully submit that the request for an award of costs is entirely unjustified and should be rejected.”

11. The Registry wrote to both parties, by way of an official letter dated 13 April 2021, to communicate the preliminary view in relation to costs, which read as follows:

“The Registry has considered the opponents (sic) request for costs and the comments made by the applicant on 15 March 2021, and after reviewing the file, it is the preliminary view of the Registry that an award of £400.00 in favour of the opponent would be appropriate.

In making this view the Tribunal notes that the opponent filed a Form TM7A, Notice of threatened opposition on 28 September 2020. As the opponent filed a Form TM7a, this would usually be considered as giving the applicant an opportunity to withdraw the application before any formal opposition was filed. Your attention is also drawn to the Tribunal Practice Notice 6/2008 which outlines this procedure. The application was not withdrawn, and the opponent filed a Form TM7, Notice of opposition on 2 November 2020.

Going by the published scale a represented litigant would be entitled to the following costs:

This amount is reached as follows:

Filing of Form TM7	£200.00
Statutory Fee	£200.00
TOTAL	£400.00

If either party disagrees with the preliminary view, they should request a hearing within 14 days from the date of this letter; that is on or before 27 April 2021.”

12. On 26 April 2021, the applicant notified the Registry that it disagreed with the preliminary view and requested a hearing.

13. A hearing was scheduled for 22 June 2021, the details of which were sent by the Registry to both parties in an official letter dated 4 June 2021. Both parties confirmed attendance.

THE HEARING

Representation

14. The hearing took place before me, by conference call, on 22 June 2021. The opponent was represented by Chris Hawkes of Stobbs IP. The applicant was represented by Norman MacLachlan of Ansons. I received skeleton arguments from both representatives prior to the hearing.

Hearing discussion

15. At the hearing, I asked Mr MacLachlan for his reasons for disagreeing with the costs award at issue. Mr MacLachlan said that a costs award in the circumstances of these proceedings penalises an applicant who does not withdraw an application upon receipt of a TM7a. He then went on to discuss the points raised in his skeleton arguments.

16. Mr MacLachlan drew my attention to the relevant section of the UKIPO website, which states that the opponent should contact the applicant in writing and tell them why they are thinking of opposing the application. Further, it states that if the applicant can demonstrate that proceedings were launched against them with no warning, giving them no chance to negotiate or reach a compromise then there will be no award of costs against them.

17. Mr MacLachlan went on to say that the opponent had two months to contact the applicant before filing the TM7a and a further month after filing the form. Given that the TM7a does not indicate the grounds for opposition, Mr MacLachlan saw no reason to advise the applicant to withdraw its application.

18. At this point, I asked Mr MacLachlan whether it would have been possible for the applicant to contact the opponent upon receipt of the TM7a to discuss the threatened opposition, rather than not acknowledging it. Mr MacLachlan explained that the applicant was advised of the TM7a, but, after discussion, decided not to contact the opponent. Mr MacLachlan further submitted that it should be for the opponent to contact the applicant regarding a possible opposition due to the fact that the TM7a simply extends the opposition period and does not necessarily indicate an opposition will definitely be filed.

19. I then asked Mr MacLachlan if he had sight of the Registry's official letter dated 28 September 2020, which accompanied the TM7a. He confirmed that it had been received and read. I referred him to two of the paragraphs within that letter (the paragraphs in bold in paragraph 4 of this decision), which confirm that the TM7a constitutes the required written notice for the applicant to withdraw its application prior to an opposition without incurring any liability for costs. I then asked for Mr MacLachlan's submissions in this regard. Mr MacLachlan stated that: (i) he has no issue with the letter; (ii) it is the standard letter sent with the TM7a; and (iii) it does not alter his submissions.

20. I then went to Mr Hawkes for his submissions, who drew a comparison between professionally represented parties and litigants in person to the effect that the applicant's representatives should have been aware of the consequences of a TM7a, specifically that it is not simply an extension of time. Mr Hawkes further submitted that the opponent's representatives' details were on the TM7a, who were available for communication at any point.

21. Mr Hawkes referred to the relevant statutory provisions and Tribunal Practice Notices ("TPNs"), which I will come to later in this decision. He submitted that the costs request made by the opponent was not unreasonable or out of the ordinary and that the costs award made by the Registry was satisfactory to the opponent.

22. Mr Hawkes submitted that in addition to the Registry's award of costs, the opponent is seeking an award on the scale for the preparation for and attendance at the hearing, amounting to £275.

23. Mr Hawkes then made a request for an award of costs off the scale, citing the applicant's representatives' unreasonable behaviour as the reason. He explained that it is incumbent on professional representatives to know the rules of the Tribunal and to know what is and is not reasonable. Therefore, it was unreasonable of the applicant's representatives to request a hearing, which could have been avoided if they understood the purpose of a TM7a.

24. Mr Hawkes' off-scale costs request (in addition to the £400 award at issue and £275 requested on the scale) is as follows:

Preparing for the hearing	£550 (2 hours at £275/hour)
Attending the hearing	£275 (1 hours at £275/hour)
Total	£825

25. This brings the opponent's total requested costs award to £1,500.

26. I asked Mr MacLachlan for his submissions in reply to Mr Hawkes. He asked me to bear in mind that the hearing occurred because of what he suggested was an opportunistic and unjustified – albeit not significant – request for costs by the opponent.

27. At the conclusion of the hearing, I reserved my judgment to give me an opportunity to reflect on the submissions made by both parties.

DECISION

Statutory provisions

28. This decision effectively acts as a reconsideration of the costs assessment taking into account the submissions at the hearing.

29. 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.”

and

“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.”

30. Various TPNs have also been issued over the years in relation to the award for costs in proceedings. In particular, I take note of TPN 6/2008, the relevant sections of which are as follows:

“The need to provide reasonable notice

3. As from 3 December 2007, costs are not usually awarded against rights holders or applicants who do not defend an action brought without prior notice. This practice still applies to trade mark revocation and invalidation proceedings and to opposition proceedings where, under the new Trade Marks Rules 2008 (“the rules”), the opponent filed an opposition without having previously filed a Notice of Threatened Opposition on Form TM7a, or otherwise given the applicant prior notice of the impending opposition.

4. However, as the Registrar copies Notices of Threatened Opposition to applicants, the UK-IPO accepted, in ‘The Response to the Consultation on the new Trade Mark Rules’, that the act of filing Form TM7a would usually be considered as giving the applicant an opportunity to withdraw the application

before any formal opposition was filed. The Form TM7a does not provide the applicant with a summary of the intended grounds of the opposition, but in many cases these will be obvious from the results of the Examiner's search for earlier marks sent to the applicant prior to the publication of the application. Further, the TM7a does provide the applicant with the opponent's contact address.

5. Thus, an award of costs from the normal scale will usually be made to an opponent where a) a Form TM7a was filed, b) a subsequent Notice of Opposition is filed, and c) the opposition is undefended. The Registrar will use his discretion to reduce that award, or give no award at all, where the opponent did not allow reasonable time between the filing of Form TM7a, and the subsequent Form TM7, or is shown to have unreasonably refused to answer a request from the applicant to give an indication of the prospective grounds for opposition, despite having been asked to do so."

31. TPN 2/2016, at Annex A, sets out the scale of costs applicable:

Annex A

Scale of costs applicable in proceedings commenced on or after 1st July 2016

Task	Cost
Preparing a statement and considering the other side's statement	From £200 to £650 depending on the nature of the statements, for example their complexity and relevance.
Preparing evidence and considering and commenting on the other side's evidence	From £500 if the evidence is light to £2200 if the evidence is substantial. The award could go above this range in exceptionally large cases but will be cut down if the successful party had filed a significant amount of unnecessary evidence.
Preparing for and attending a hearing	Up to £1600 per day of hearing, capped at £3300 for the full hearing unless one side has behaved unreasonably. From £300 to £550 for preparation of submissions, depending on their substance, if there is no oral hearing.
Expenses	(a) Official fees arising from the action and paid by the successful party (other than fees for extensions of time). (b) The reasonable travel and accommodation expenses for any witnesses of the successful party required to attend a hearing for cross examination.

32. TPN 2/2016 updates and supplements TPN 4/2007 and TPN 2/2000. TPN 4/2007 maintains that off scale costs may be given in certain circumstances, the relevant section of which is copied below:

Off scale costs

5. TPN 2/2000 recognises that it is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour. Whilst TPN 2/2000 provides some examples of unreasonable behaviour, which could lead to an off scale award of costs, it acknowledges that it would be impossible to indicate all the circumstances in which a Hearing Officer could or should depart from the published scale of costs. The overriding factor was and remains that the Hearing Officer should act judicially in all the facts of a case. It is worth clarifying that just because a party has lost, this in itself is not indicative of unreasonable behaviour

6. TPN 2/2000 gives no guidance as to the basis on which the amount would be assessed to deal proportionately with unreasonable behaviour. In several cases since the publication of TPN 2/2000 Hearing Officers have stated that the amount should be commensurate with the extra expenditure a party has incurred as the result of unreasonable behaviour on the part of the other side. This "extra costs" principle is one which Hearing Officers will take into account in assessing costs in the face of unreasonable behaviour.

7. Any claim for cost approaching full compensation or for "extra costs" will need to be supported by a bill itemizing the actual costs incurred.

8. Depending on the circumstances the Comptroller may also award costs below the minimum indicated by the standard scale. For example, the Comptroller will not normally award costs which appear to him to exceed the reasonable costs incurred by a party.

Off scale costs

33. Whilst the applicant is professionally represented, that does not alter its entitlement to request a hearing. The Registry, in its official letter dated 13 April 2021, in which it communicated the costs award, gave both parties the opportunity to request a hearing should they disagree with the preliminary view. The applicant subsequently chose to request a hearing. I do not consider that constitutes unreasonable behaviour, as suggested by Mr Hawkes. I am not satisfied that there are sufficient reasons to justify awarding costs off the standard scale and so I decline to do so. I will, however, take into account the tasks required of the opponent in attending the hearing when making my decision.

Costs on the scale

34. The guidance in relation to costs in proceedings where a TM7a is filed is quite clear. Applying TPN 2/2008, I am satisfied that the opponent filed a TM7a in the usual way and provided reasonable time before filing its TM7. In line with the guidance I am satisfied that the TM7a constitutes written notice of the opponent's intention to oppose.

There are no submissions or evidence before me to suggest the opponent refused to communicate with the applicant. The applicant was in receipt of the opponent's contact details but, as Mr MacLachlan explained, they chose not to make contact. To my mind, the Registry's letter dated 28 September 2020 made it clear that the TM7a gave the applicant reasonable notice to provide it with an opportunity of withdrawing its application without incurring any liability for costs. If the applicant wanted to establish the grounds for opposition prior to making a decision as to whether to withdraw its application or not, it could have contacted the opponent upon receipt of the TM7a using the contact details contained therein. In light of the foregoing, I consider a costs award in favour of the opponent to be appropriate. In accordance with Annex A of TPN 2/2016 I award costs to the opponent on the following basis:

Official fee for filing the Form TM7	£200
Preparing the statement of case	£200
Preparing for and attending the joint hearing	£275 ¹
Total	£675

Conclusion

35. I order Origin Enterprises plc to pay Yara International ASA the sum of £675 as a contribution towards its costs. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the final determination of the appeal proceedings.

Dated this 30th day of June 2021

E VENABLES

For the Registrar

¹ This is the amount requested by Mr Hawkes at the hearing and since it is in line with the ordinary scale, I see no reason to award below or above this amount.