

**O-624-20**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF  
UK TRADE MARK REGISTRATION NO. 3146860  
IN THE NAME OF JOHN BLYTH WHEELER**

**AND**

**AN APPLICATION FOR A DECLARATION OF INVALIDITY  
UNDER NO. 502384  
BY LAY & WHEELER LIMITED**

**SUPPLEMENTARY DECISION**

## Background

1. On 19 October 2020, I issued a decision on behalf of the registrar (BL O/514/20), in which I held that John Blyth Wheeler (“the proprietor”) may withdraw his defence, that the application for invalidation should be treated as unopposed and that it should, therefore, succeed.

2. At paragraph 19 of that decision, I said:

“19. My decision is that Mr Wheeler does not need the Registry’s permission to withdraw his form TM8 and counterstatement and that, in the absence of a defence, the application for invalidation is treated as unopposed. The application should, therefore, succeed. Trade mark number 3146860 is invalid and the registration will be cancelled with effect from 28 January 2016”.

3. However, the application for invalidation was directed against only some of the goods and services in the contested trade mark’s specification. Thus, paragraph 19 of my decision should have read:

“19. My decision is that Mr Wheeler does not need the Registry’s permission to withdraw his form TM8 and counterstatement and that, in the absence of a defence, the application for invalidation is treated as unopposed. The application should, therefore, succeed. Trade mark number 3146860 is invalid in respect of the contested goods and services and the registration for those goods and services will be cancelled with effect from 28 January 2016. The amended specification will read as follows:

Class 33: Spirits; brandies and liqueurs.

Class 35: Retail, wholesale and on-line retail and wholesale services, mail order and electronic shopping services, all connected with the sale of soft

drinks, mineral and aerated waters, fruit drinks and fruit juices, spirits, and beers, and with the sale of printed matter associated with or relating to alcoholic and non-alcoholic drinks except wines.

Class 41: Educational services, training services and the organisation of seminars, all relating to alcoholic beverages except wines, fortified wines and sparkling wines, and to food and drink except wines, fortified wines and sparkling wines.

Class 43: Restaurant, café and catering services; provision of food for consumption by others; public house services; consultancy, advisory and information services all relating to the aforesaid services”.

4. The error is an irregularity in procedure capable of correction under Rule 74 of the Trade Marks Rules 2008. Consequently, I give the parties notice that paragraph 19 of the decision will be amended to the version shown above and apply as though that paragraph had appeared in the original version of the decision. This correction has no effect on the subsequent full surrender of the registration.

5. In my original decision, I did not make a decision on costs but allowed the parties 14 days from the date of the decision to file any written submissions on the subject. This was extended by 7 days due to a failure to receive the decision by the proprietor. Both parties duly filed submissions on costs.

6. The proprietor appears to accept that an award should be made in favour of Lay & Wheeler Limited (“the applicant”) and the proprietor has agreed to pay costs on the scale, contained in Tribunal Practice Notice (“TPN”) 2/2016, for the majority of the proceedings. The proprietor’s position is that the amounts for the preparation and filing of the application for invalidation, the evidence and the hearing in December 2019, originally listed as a substantive hearing but re-listed at short notice as a Case Management Conference (“CMC”), should all be made at the lower end of the scale. The proprietor

seeks costs on the scale for the CMC held before me on 12 October 2020. It submits that, as the winner on the point discussed, the proprietor should be awarded its costs. It submits that the arguments relied upon by the applicant at that CMC had been addressed in correspondence from the applicant, that no new argument was advanced at the hearing and that the proprietor was put to considerable expense in instructing counsel for that hearing.

7. The applicant seeks costs at the higher end of the scale. It points to the significant amount of evidence filed during proceedings which lasted almost two years. The applicant also points to the proprietor's application to amend his pleadings and file additional evidence in December 2019, which led to the first CMC. It submits that all of the additional work incurred as a result of these applications was a waste of time. In addition, it argues that the only reason for the proprietor's withdrawal of his defence was to avoid the creation of an estoppel which could be relied upon by the applicant in any future proceedings. It is submitted that this amounts to "playing the system". The applicant also submits that, had these proceedings resulted in a decision on the merits, any findings could have been relied upon in subsequent court action. The costs savings resulting from this are now not available to the applicant. Lastly, the applicant submits that it was reasonable for it to argue at a CMC whether the proprietor could withdraw his defence, particularly in the absence of an explicit provision in the Trade Marks Rules ("the Rules").

## **Decision**

8. Rule 67 of the Trade Marks Rules 2008 provides:

**"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. Tribunal Practice Notice ("TPN") 4/2007 indicates that the tribunal has a wide discretion when it comes to the issue of costs. Although the published scale of costs was updated

in TPN 2/2016, which applies to proceedings commenced on or after 1 July 2016, the principles outlined in TPN 4/2007 remain relevant. It is clear from the authorities that in making an award of costs, I must exercise judgement and discretion with regard to all of the circumstances.<sup>1</sup>

10. Up until the first CMC, the proceedings were entirely conventional. The statement of case and the original defence are neither particularly lengthy nor complicated. Both parties filed a fair amount of evidence, which will have taken time to prepare and evaluate. Some of the proprietor's evidence falls after the relevant date but there is not a great deal of evidence that is manifestly irrelevant and of such a nature that it will have taken a significant amount of time for a professional representative to review. These aspects of the case would warrant, in my view, awards neither at the very bottom nor at the very top of the scale.

11. The first CMC was called because of the proprietor's request to amend the counterstatement and to adduce additional evidence. There was also a request to cross-examine which was not, in the event, determined at the CMC. The amendments to the counterstatement concerned the addition of defences of consent by the applicant to the registration and honest concurrent use (acquiescence had already been pleaded). I was not the hearing officer who heard the arguments at that CMC. The application gave the late instruction of counsel and her advice on the case as the reason for the request. It appears later to have been suggested that additional documentation had been found after the initial evidence periods. The amendments to the counterstatement were allowed and the additional evidence admitted. The applicant also requested leave to file further evidence at the CMC. Further evidence rounds ensued.

12. The proprietor's decision to seek to amend its counterstatement and file additional evidence at a late stage will have increased costs for the applicant. Although permission for both was given, the reasons underlying the requests do not appear particularly strong

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<sup>1</sup> See, for example, *AMARO GAYO COFFEE Trade Mark* (BL O/257/18), paragraphs 13-14 and *FreshGo Trade Mark*, BL O/197/11, paragraphs 22-26.

and, at least, the claims to honest concurrent use and consent could have been made and addressed earlier. Much of the proprietor's additional evidence (i.e. John Wheeler's third statement) is, in fact, submission or comment on his first statement. Some of it, such as prints from the register of details of the proprietor's trade marks, could clearly have been obtained earlier; the evidence's effect on proceedings is unlikely to have been dramatic. That said, I bear in mind that the applicant also sought to adduce additional evidence, to which the proprietor responded. The delay to proceedings cannot, therefore, be attributed solely to the proprietor, nor was the applicant the only party subject to the cost of filing additional evidence in response. Whilst I do not consider a specific award for the CMC appropriate, the applicant is entitled to additional costs in respect of the late amendments to the pleadings and evidence. However, given the applicant's own late evidence and the delay that caused, I will make only a slightly increased award.

13. The proprietor surrendered the trade mark on 28 August 2020. Serious preparation for the substantive hearing listed for 12 October 2020 is unlikely to have commenced by that date. On 28 September 2020, the proprietor indicated his willingness to consent to an order invalidating the trade mark. The tribunal responded and there was some wrangling in correspondence between the parties before the hearing took place as a CMC, for which skeleton arguments were required. I note that there is a suggestion in the applicant's submissions that it was inappropriate for the tribunal to advise the proprietor of the procedures available to it to withdraw from proceedings. I do not accept that criticism. It is perfectly proper for the tribunal to explain to a party what is and what is not possible under the Rules and within tribunal procedures. It would be inappropriate for the tribunal to advise a party whether it should take any particular course but that is not what happened here.

14. The proprietor was successful at the second CMC on the issue of the withdrawal of its defence. I do not think that it was inappropriate for the applicant to exercise its right to be heard, nor did my decision, for obvious reasons, result in the overall outcome of the case being in the proprietor's favour. The applicant's objections were not restricted to whether the proprietor could withdraw its defence but included the form of the resulting

decision. Any reservations about the merits of the former argument do not invalidate the merits of the latter. The applicant argues that the proprietor's motivation for withdrawing the defence was to avoid an estoppel and that that is improper. Whilst it is true that the absence of a decision on the merits will mean no estoppel is generated, I am not persuaded that it is right to characterise the proprietor's behaviour as improper. The late withdrawal of the defence has inconvenienced the applicant but the initial reason provided by the proprietor for seeking a consent order was to avoid the costs of a further hearing. That does not seem unreasonable, particularly as the trade mark had already been surrendered in its entirety, even if it would have been preferable for such a conclusion to have been reached earlier. There were no other ongoing proceedings at the time the proprietor sought to withdraw its defence, nor was the proprietor the instigator of the IPO proceedings. I do not consider that it would be appropriate for me to make an award based on the hypothetical costs savings to the applicant in as yet non-existent court proceedings.

15. In short, I consider that the original pleadings and evidence warrant an award towards the middle of the scale but that some additional costs in the applicant's favour should be awarded for the late application to amend the counterstatement which resulted in delay and additional evidence. The proprietor's success at the second CMC should also be reflected in the award. I award costs to the applicant as follows:

Official fee:	£200
Filing the application and considering the counterstatement:	£400
Filing evidence and considering the other side's evidence:	£1,400
Less £300 for the second CMC:	-£300
<b>Total:</b>	<b>£1,700</b>

16. I order John Blyth Wheeler to pay Lay & Wheeler Limited the sum of **£1,700**. This sum is to be paid within twenty-one days 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.

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

**Dated this 11th day of December 2020**

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