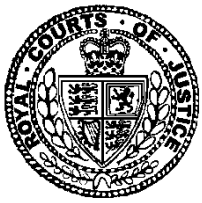

Case No: CH-2023-000214
Neutral Citation Number: [2024] EWHC 1098 (Ch)
IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

BEFORE:

MR IAIN PURVIS, KC (sitting as a deputy High Court judge)

ON APPEAL FROM

The Registrar of Trade Marks
(Ms S Wilson, Hearing Officer)

BETWEEN:

UNICORN STUDIO INC

Applicant/Appellant

- and -

VERONESE (Société par Actions Simplifiée)

Opponent/Respondent

REPRESENTATION

Gwilym Harbottle (Counsel) instructed on behalf of the Appellant

The Respondent was not represented

JUDGMENT ON COSTS

1. This is an Appeal from a decision of a Hearing Officer on behalf of the Registrar of Trade Marks in Opposition proceedings brought by the Respondent. The Respondent had partially succeeded before the Hearing Officer such that the trade mark was refused in respect of certain categories of goods. The Appellant appealed to the High Court on the basis that the mark should have been allowed to proceed in respect of all categories of goods. The Appellant was represented by solicitors who instructed counsel (Mr Harbottle) to appear at a hearing before me which lasted for a couple of hours. The Respondent was at one point instructing solicitors but took no part in the Appeal.

2. I gave an *ex tempore* judgment in which I allowed the appeal (neutral citation number [2024] EWHC 1098 (Ch)). The trade mark therefore proceeds to grant in respect of all categories of goods.

3. After giving judgment I directed that costs submissions be filed. I asked that the Respondent be notified of the direction for submissions and also (specifically) of the provisions of CPR Part 52.19:

   52.19
   (1) Subject to rule 52.19A, in any proceedings in which costs recovery is normally limited or excluded at first instance, an appeal court may make an order that the recoverable costs of an appeal will be limited to the extent which the court specifies.
   (2) In making such an order the court will have regard to—
   (a) the means of both parties;
   (b) all the circumstances of the case; and
   (c) the need to facilitate access to justice.
   (3) If the appeal raises an issue of principle or practice upon which substantial sums may turn, it may not be appropriate to make an order under paragraph (1).
   (4) An application for such an order must be made as soon as practicable and will be determined without a hearing unless the court orders otherwise.

4. I considered that an application under this rule could have been appropriate given the huge discrepancy between the costs recoverable under the regime used for Opposition proceedings in the Trade Marks Registry and under the CPR in the High Court. This appeal could have been brought before the Appointed Person in which case costs would have been awarded in accordance with the Trade Marks Registry regime. There are circumstances in which fairness would require the High Court to direct that any costs awarded in the proceedings should be on the same basis as if the appeal had been brought before the Appointed Person. Otherwise there would be a risk that decisions to appeal to the High Court would be taken tactically as a means of putting unfair pressure on the Respondent.

5. Of course, any such application (which would need to be supported by evidence) should have been made at an earlier stage in the appeal proceedings (see Rule 52.19(4)). However, given that nothing happened in the Appeal between filing the Notice and the immediate preparation for the hearing itself, I would have been minded to hear an application even post-judgment.

6. The Respondent did not take up the idea of making an application under 52.19. I therefore make no further comment on the point, save to note that the Appellant, in its costs submissions, gave a number of reasons (including the international nature of the dispute, its importance to the Appellant and the need to leave open a further route of appeal to the Court of Appeal) which it said justified the decision to appeal to the High Court in this case.

7. I therefore proceed to assess the costs summarily in accordance with Part 44.

8. I indicated that in principle the Appellant was the overall winner and should be awarded its costs without a deduction for points on which it had lost. The primary point on the appeal was always the question of whether the Hearing Officer had erred in distinguishing the categories of goods on which the Opposition had succeeded from the categories on which it had failed. A number of other points were argued (though rather faintly) and failed, but I do not consider that it would be appropriate to make a percentage deduction because they would not have added materially to the costs.

9. Turning to the bill. The solicitors' bill comes to £22,823.30. The Respondent contends that no costs should be allowed in this respect. This is obviously absurd.

10. Looking at the individual points made by the Respondent, they first take issue with the billing rates which they say are higher than the London guideline hourly rates. It appears that this is the case only for the lead partner on the case who is charging at a rate within the 'London 1' band but outside the 'London 2' band which would be appropriate for this case (it could not be called 'very heavy commercial and corporate work'). The London 2 band is £398 per hour rather than the £483 charged (around 20% lower).

11. Second they take issue with the sheer number of fee earners used on the case (6 in total not including the costs draftsman). In reality the number was really only 4 since the costs of the other two were trivial. I don't think there is anything in this complaint.

12. Third they take issue with the time taken by the fee earners in question on the tasks set out in the bill. The bulk of the costs are for 'work done on documents'. This included 6.5 hours of partner time and 9.3 hours of other solicitor time on the Grounds of Appeal. This seems excessive to me. Given the relatively short point on which the Appeal was founded, the Grounds of Appeal should have been short and ought not to have taken long to draft. Similar time (though much less partner time) was spend on preparing and settling the skeleton argument and compiling the Court bundle. Again, the amount of time taken with these tasks seems unnecessary, particularly since the skeleton argument was drafted by counsel.

13. Overall I will allow £15,000 for solicitor costs.

14. Counsel fees come to £24,050. This comprises a fee for advice of £4,050, a fee of £10,000 for drafting the skeleton argument and a brief fee of £10,000 for the hearing. As it happened, the counsel who appeared at the hearing (Mr Harbottle) was newly instructed, previous counsel (responsible for the skeleton and the advice) being indisposed. I see no reason to suppose that the change of counsel caused any increase in costs. However I do not think that counsel's advice is an allowable item. It is plain

that this case is part of a broader international dispute and the Appellant was always going to appeal. The Grounds of Appeal were (as I have noted) drafted by the highly experienced lead partner on the case. I will therefore limit the award to £20,000 for counsel's fees.

15. Combined with the Court fees, this comes to a total of £35,000.

16. I turn to the question of proportionality. I am satisfied that this is a case of importance to the Appellant. The brand is central to its business, and it has already had to fight off cancellation and opposition actions from the Respondent in the EUIPO. In the circumstances I will not make any deduction on the grounds of lack of proportionality.

17. I award £35,000 for the costs of this Appeal.

18. As for the costs before the IPO, the Appellant asks for an award of £3,400 which would be at the top end of the scale. I do not think that this was a case of high complexity, but it did involve some evidence and some matters of detail needed to be argued out. I will award £2,000 for the costs before the IPO.

IAIN PURVIS KC
21 JUNE 2024