

O-157-09

TRADE MARKS ACT 1994

**IN THE MATTER OF A JOINT HEARING
IN RELATION TO APPLICATION NO. 2371858
IN THE NAME OF GERARD DUGDILL**

**AND
OPPOSITION NO. 93785 THERETO
BY XCESS MEDIA LIMITED**

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IN THE MATTER OF A JOINT HEARING IN RELATION TO APPLICATION NO. 2371858 IN THE NAME OF GERARD DUGDILL AND OPPOSITION NO. 93785 THERETO BY XCESS MEDIA LIMITED

Background

1. Application No. 2371858 currently stands in the name of Gerard Dugdill. It is subject to opposition by Xcess Media Limited. Whilst it is not necessary for me to give a full summary of the previous background of these opposition proceedings, the fact is that they have been ongoing for some considerable time with a number of interlocutory issues having been raised previously which have led to two appeals being made by Mr Dugdill to the Appointed Person.

2. As a result of those appeals, the Appointed Person issued two Orders. The first, dated 11 July 2008, dismissed Mr Dugdill's appeal and ordered him to pay the Opponent its costs of the Appeal in the sum of £225 within fourteen days of 23 June 2008. The second, dated 14 August 2008, also dismissed Mr Dugdill's appeal and ordered him to pay the Opponent its costs of the Appeal in the sum of £200 within fourteen days of 28 July 2008.

3. Despite these Orders, it became clear, through an exchange of correspondence between the Registrar and the parties, that Mr Dugdill did not pay the awards of costs to the Opponent as ordered. The Opponent requested that proceedings be stayed until payment had been made but the registrar advised the parties that a stay was not appropriate as the registrar did not have the power to enforce any such orders for payment, this being a matter for the parties to pursue through the Courts. The registrar did, however, publish notice of the default of payment in the usual way on the Office website.

4. The proceedings therefore continued with evidence being filed. Further correspondence was received from both parties and the registrar then reviewed the papers. Subsequently, by way of a letter dated 29 January 2009, the registrar wrote to the parties indicating that "consequent upon the failure of [Mr Dugdill] to pay the costs awarded against him" by the Appointed Person, Mr Dugdill was required to give security for costs in the amount of £2000 otherwise the application for registration may be deemed to be withdrawn. A further letter (also dated 29 January 2009 but misdated and actually sent some days later), indicated security for costs was required as the failure to pay the costs awarded by the Appointed Person raised questions as to whether any further costs that might be awarded in the proceedings against Mr Dugdill, would, in fact, be paid. A period expiring on 2 March 2009 was allowed for Mr Dugdill to pay the security for costs or for either party to request a hearing.

5. Further correspondence was received from Mr Dugdill. By way of letter dated 20 March 2009 the reasons for ordering security for costs were reiterated and the

parties were advised that "...the Registry will agree on occasion to hold any security itself".

6. Mr Dugdill subsequently requested to be heard.

7. The hearing took place before me by telephone on 23 April 2009. Both parties had filed written submissions in advance of the hearing. At the hearing, Mr Dugdill represented himself and Mr Chubb represented Xcess Media Ltd. Later that same day I wrote to the parties in the following terms:

"Having taken all oral and written submissions into account, my decision is that an order for Security for Costs against [Mr Dugdill] in the sum of £2,000 is appropriate and should be made. I hereby make that Order. Given the somewhat unusual circumstances of this case, including the fact that both parties have called into question the financial standing of the other and that neither are professionally represented, I further order that the Security for Costs will, if paid, be held by this office. Subject to any appeal against my decision by either party, the payment of Security for Costs should be received by this office within one month of the date of this letter. In default of any such payment being made by the due date, the application will be deemed to have been withdrawn.

Earlier in these proceedings, and following two appeals by [Mr Dugdill], Mr Geoffrey Hobbs Q.C. sitting as the Appointed Person made orders against [him] and requiring [him] to pay the opponent its costs of those appeals in the sums of £225 and £200 respectively. [Mr Dugdill] did not dispute that [he] had not paid the sums ordered. I was not persuaded by [his] arguments as to why [he] had not made the payments Mr Hobbs ordered, nor was I persuaded by [his] submissions as to why it was inappropriate for the registrar to issue an order for Security for Costs.

Whilst the Security for Costs matter before me had arisen not as a result of any request having made by the opponent but rather because of the registrar's own actions, the opponent had the right to be represented at and take part in today's hearing if it so wished. Having done so, it requested an award of costs in its favour. Taking all matters into account I consider an award of costs in the sum of £200 is appropriate. Again subject to any appeal, this sum should be paid direct to the opponent within one month of the date of this letter. "

8. Mr Dugdill subsequently requested a statement of reasons for my decision. These I now give.

The Law

9. Security for costs is provided for by section 68(3) of the Act which states:

"(3) Provision may be made by rules empowering the registrar, in such cases as may be prescribed, to require a party to proceedings before him to give

security for costs, in relation to those proceedings or to proceedings on appeal, and as to the consequences if security is not given.”

10. The relevant rule is rule 68 which states:

“68.-(1) The registrar may require any person who is a party in any proceedings under the Act or these Rules to give security for costs in relation to those proceedings; and may also require security for the costs of any appeal from the registrar’s decision.

(2) In default of such security being given, the registrar, in the case of the proceedings before the registrar, or in the case of an appeal, the person appointed under section 76 may treat the party in default as having withdrawn their application, opposition, objection or interventions, as the case may be.”

Submissions of the parties

11. Mr Chubb submitted that the registrar had a wide discretion in determining whether, and if so how, to order security for costs and that the non-payment of the Appointed Person’s Orders was a valid reason for so ordering. There was nothing to suggest the Appointed Person’s Orders were not valid and just because the registrar cannot enforce those Orders does not mean he cannot order security for costs if they have not been paid. Mr Chubb further submitted that the onus was now on Mr Dugdill who had not produced any details of his finances and is difficult to contact.

12. For his part Mr Dugdill submitted that the law as regards security for costs was “open-ended”. He referred me to the Trade Mark’s Registry Work Manual and said that security should only be given where a party has a lack of assets and where costs are otherwise likely not to be paid. He accepted that one of his companies was in liquidation though went on to say that his own financial position was not relevant to the issue as it had not been raised by the registry but that in any event he had full credibility, was not insolvent and did not owe anyone any monies.

13. In reply to my question, Mr Dugdill accepted that the Appointed Person had made the two separate Orders against him totalling £425 in relation to the two earlier appeals and which he had not paid but went on to say that this was because he was “still pursuing legal avenues” in relation to those appeals. Despite my questioning him he did not specify what “legal avenues” he was pursuing but indicated that his options were not exhausted. He further submitted that he has money and had previously paid other costs awards made against him. He stated that because the opponent had not made any attempts to enforce the orders made by the Appointed Persons, the fact that they have not been paid should not be used as a basis for ordering security for costs.

14. Finally, Mr Dugdill submitted that security for costs should not be ordered to be held by the registrar because the registrar had made it clear in the past that he did not want to hold such monies. He referred me to the registrar’s earlier decision in the case of *John A Seiden’s Application* (O/160/00).

Decision

15. I do not understand either party to dispute that the registrar has the discretion to order security for costs in relation to opposition proceedings and that the discretion is a wide one limited only in that he must act judicially. Indeed the Work Manual, referred to by Mr Dugdill, states:

“12.2 Security for costs

Under section 68 and Rule 68 the Registrar has the discretion to make an order for security to be granted. **Where the circumstances justify the granting of an order** (*my emphasis*), the Registrar may do so against any party in proceedings before him.....”

16. Whilst the question of whether security for costs should be ordered are usually determined as a result of the issue being raised by one of the parties to the proceedings, there is nothing in either section 68 of the Act or rule 68 which limits the registrar’s discretion in this way and in my view it is open to the registrar to raise the matter himself and make a determination on the basis of all material before him and after hearing the parties if so requested.

17. There is no dispute that following the dismissal of two appeals earlier in these proceedings, Mr Dugdill was ordered to pay a total of £425 in costs to Xcess Media Ltd. Neither is there any dispute that Mr Dugdill has not paid those costs. The appeals to the Appointed Person were heard on 23 June 2008 and 28 July 2008. Mr Dugdill submitted that he had requested a copy of the transcript of the latter hearing from the Treasury Solicitor but that there had been in delay in his receiving it.

18. At the hearing, I referred the parties to section 76(4) and (5) of the Act which read:

“(4) Where an appeal is made to an appointed person and he does not refer it to the court, he shall hear and determine the appeal and his decision shall be final.

(5) The provisions of section 68 and 69 (costs and security for costs; evidence) apply in relation to proceedings before an appointed person as in relation to proceedings before the registrar.”

19. The Appointed Person did not refer to the court either of the appeals made by Mr Dugdill but heard the matters himself. He issued his Orders on 11 July and 14 August 2008 dismissing the appeals and ordering Mr Dugdill to pay costs to the opponent totalling £425 within the fourteen day periods referred to in paragraph 2 above. Despite the Appointed Person’s decision being final, Mr Dugdill sought a transcript of the latter of those appeals as he wanted to “pursue this matter further” (see his letter of 7 February 2009 referred to in his written submissions). Although I accept he did not receive the transcript for some time after requesting a copy of it, Mr Dugdill did not provide me with anything to show how he was “pursuing the matter further” nor indeed how he could challenge the Appointed Person’s decision(s) given the wording of Section 76 of the Act. He may disagree with either/both Orders of the Appointed Person but the Orders have been made and are final.

20. The two awards of costs ordered by the Appointed Person remained unpaid at the date of the hearing before me, some nine months after the latest of the appeal hearings. Although there was no evidence before me that Mr Dugdill was unable (financially) to pay the costs as ordered, he gave no indication, either in written or oral submissions, that he intends, or ever has had any intention, to pay those costs. That being the case it seems to me that there is a reasonable doubt that he would pay any award of costs ordered against him should he be unsuccessful in the substantive proceedings. My decision therefore was that he should be ordered to pay security for costs in the sum of £2000 reflecting the sum which may be awarded should the proceedings progress to final determination. In default of such security being given by Mr Dugdill and, in line with the provisions of rule 68(2), I further determined that the application would be deemed to have been abandoned. Given that neither party is professionally represented, I should point out that my decision to order security for costs in the sum of £2000 in no way fetters the discretion of the relevant Hearing Officer to award a different amount of costs at the final determination of the proceedings if appropriate.

21. These proceedings have a long and somewhat complicated background which, in relation to the matters before me and for the purposes of this statement of grounds, I have not needed fully to explain. What is clear, however, from the submissions made in relation to the hearing before me, is that each of the parties have made a number of allegations in these proceedings casting doubt on the financial standing, if not the business practices, of the other. There are significant areas of dispute between them and, regrettably, the parties do not appear to have come any closer with the passage of time and given the interlocutory issues which have prevented this case reaching final determination promptly. As I indicated above, neither party are professionally represented. I therefore went on to consider by whom any such security for costs should be held.

22. In the event that security for costs was ordered, Mr Dugdill disagreed that it should be held by the registrar though did not suggest any alternative. Whilst Mr Chubb indicated the opponent would be happy to hold it, he did not disagree that the registrar should hold it on behalf of the parties.

23. As I indicated above, Mr Dugdill referred me to the *Seiden* case, submitting that in relation to the payment of security for costs the registrar “did not want” to hold such monies. As the Hearing Officer in that case stated, “the provision of security for costs is a relatively rare occurrence in trade marks disputes” but the circumstances of the case were such that the registrar did hold the monies. Whilst the registrar would normally expect parties, especially when professionally represented, to agree how such security would be held without involving the registrar, each case must be determined on its own merits. Given the particular circumstances of this case, I considered it appropriate to impose the condition that any security for costs should be held by the registrar. I gave that direction under rule 62(3) which states:

“When the registrar gives directions under any provision of the Rules, the registrar may –

(a) make them subject to conditions...”

Costs

24. Mr Chubb requested the costs of the hearing before me. He suggested a figure of £700 was appropriate based on the time taken to carry out research and prepare his written submissions, to read Mr Dugdill's submissions and to reflect the time spent away from his work whilst at the hearing. Mr Dugdill thought this figure to be a "gross overestimate". Whilst I accept that some time and costs will have been spent in preparing for and attending the hearing, the issue before me was not particularly complicated, only one earlier case had been referred to and the hearing was relatively short and took place over the telephone. In all the circumstances it seemed to me that the sum of £200 reflected an adequate contribution by Mr Dugdill towards the opponent's costs in relation to the hearing.

Dated this 9th day of June 2009

**Ann Corbett
For the Registrar
The Comptroller-General**