

TRADE MARKS ACT 1994

IN THE MATTER OF:

OPPOSITION NO. 94569

IN THE NAME OF FOREIGN SUPPLEMENT TRADE MARK LIMITED

TO TRADE MARK APPLICATION NO. 2416626

IN THE NAME OF MAXIMUSCLE LTD

DECISION

1. On 15 March 2006 Maximuscle Ltd (*'the Applicant'*) applied under number 2416626 to register the designation **LEUKIC** as a trade mark for use in relation to the following goods:

In Class 5: Vitamin, mineral and protein preparations and substances; nutrients and nutriments; preparations for nutritional use; nutritional supplements for athletes and sports people.

In Class 30: Nutritional, energy, protein and weight gain confectionery bars including meal replacement bars and sweets for the sports market.

In Class 32: Non-alcoholic beverages; fruit drinks and juices; protein based fruit drinks, calorie controlled and calorie reduced beverages.”

2. The application for registration was opposed by Foreign Supplement Trade Mark Ltd (*‘the Opponent’*) under Section 3(6) of the Trade Marks Act 1994 on the ground that the request for protection had been made in bad faith in relation to all goods specified.

3. In its Notice and Grounds of Opposition filed on 18 August 2006 the Opponent contended as follows:

“1 With full awareness and knowledge of:

1.1 the Opponent and its international business of supplying food substances and nutritional supplement products to, in particular, the sports and body-building sector;

1.2 the successful marketing of the Opponent’s Leukic products from November 2005 in the US (where the word LEUKIC is the subject of a trade mark application in the name of a company related to the Opponent and the relevant products bear prominently the TM sign); and

1.3 the very strong likelihood that the Opponent would want to expand its existing business in the UK, being a significant market for the relevant products within Europe;

the Applicant, itself a supplier of food substances and nutritional supplement products to the sports and body-building sector, has applied to register the identical mark LEUKIC in respect of identical goods in the UK. The present application was clearly filed by the Applicant with the intention of preventing the Opponent from using and registering its LEUKIC mark in the UK.

2 The Applicant has attempted previously to register in the UK marks which are identical to those used in connection with the Opponent’s products. In particular, following the successful and high-profile launch of the Opponent’s Gakic range of products in the US in around July 2005, the Applicant filed UK applications to register the marks GAKIC (application no. 2407585, filed 25 November

2005 and now withdrawn) and MAXI-GAKIC (application no. 2416106 filed 9 March 2006).

3. In light of the circumstances described at paragraph 1 above, and the Applicant's previous attempts to prevent the Opponent from using and registering its marks in the UK (as described at paragraph 2 above), the Applicant's conduct in filing the present application amounts to bad faith in that it falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced traders in the field of supplying food substances and nutritional supplement products. Further, by virtue of its prior knowledge and awareness of the Opponent and its Leukic and other products, the Applicant must have realised that, by those standards, its conduct fell short."

The Applicant joined issue with the Opponent upon those contentions in a Defence and Counterstatement filed on 27 November 2006.

4. Each side filed evidence supporting its own position and contradicting that of the other. Having regard to the nature of the objection and the rival contentions of the parties, it would not have been at all surprising if there had been directions for disclosure of documents and cross-examination of witnesses for the purpose of testing the reliability of the evidence on file. This was mooted in correspondence, but did not happen. Further, the parties elected to proceed on the basis that the Registrar would determine the Opposition on the basis of the papers on file, without recourse to a hearing.

5. Both sides filed detailed written submissions for consideration by the allocated Hearing Officer, Mr. George Salthouse. Each side asked for its position to be upheld with an order for costs in its favour. Neither side asked for an award of compensatory as opposed to scale costs. Neither side suggested that the question of costs should be deferred for submissions and argument after delivery of the decision on the merits.

6. The Opposition succeeded for the reasons given by the Hearing Officer in a written decision issued under reference BL O-154-09 on 4 May 2009. In paragraph [77] he identified the main point at issue as whether the Applicant had cause to believe that the Opponent intended to enter the UK market under the mark in question and was seeking to pre-empt that occurrence for its own benefit. His finding in that regard was stated in the following terms in paragraph [78]:

“In my opinion, it is clear from the evidence filed that the opponent has a history of launching products in the USA and at a later date offering products under the same mark in the UK, paragraph 7 sub paragraph 11 above refers. Given Mr Eisenberg’s pre-eminence in the industry, he would have been aware of the opponent’s usual business practice and of the launch of a new product such as the opponent’s LEUKIC in the USA. Despite Mr Eisenberg’s denial that he was aware of the opponent’s mark at the date that the applicant filed for registration, I find that the mark in suit was applied for in bad faith and so the ground of opposition under Section 3(6) succeeds.”

This necessarily involved a rejection of the Applicant’s evidence to the contrary, without cross-examination of its principal witness (cf DAAWAT Trade Mark [2003] RPC 11 at paragraphs [24] to [28] and [59] to [69]).

7. The Hearing Officer dealt with the question of costs in paragraphs [79] and [80] of his decision. His ruling is the subject of the present appeal. I will now set it out in full, with each successive sentence separately numbered by me as follows:

“(i) As the opponent has been successful it is entitled to a contribution towards its costs.

- (ii) I take into account the fact that the opposition included a successful ground under section 3(6) whilst adhering to the scale of costs.
- (iii) I also take into account the considerable evidence filed, the issue of determining that US magazines were offered for sale in the UK and the extensive written submissions submitted.
- (iv) I intend to stay within the boundaries of the scale of costs used by the Registry but to award costs at the higher end of the scale.
- (v) I award costs on the following basis

Opposition fee	£200
Notice of opposition	£300
Considering the counterstatement	£200
Preparing and filing of evidence	£1,000
Considering applicant's evidence	£500
Written submissions	£500
TOTAL	£2,700

- (vi) I order the applicant to pay the opponents the sum of £2,700.
- (vii) This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.”

The decision was sent to the parties under cover of an official letter dated 4 June 2009 in which they were notified that the time for appeal would expire 28 days later, on 2 July 2009.

8. The Applicant decided at that juncture not to file a Notice of Appeal. I understand that the Opponent's representatives contacted the Trade Marks Registry to enquire

whether it was open to them to make submissions in support of a claim for a higher award of costs. I further understand that they were informed that the Opponent should appeal if it wished to challenge that aspect of the Hearing Officer's decision.

9. On the last day of the 28 day period, the Opponent gave Notice of Appeal to an Appointed Person under Section 76 of the Trade Marks Act 1994 contending that the Hearing Officer's decision on costs was unjust and unreasonable and that he had acted unjudicially by coming to a decision on costs without inviting the parties to make representations in that regard. Paragraphs 11 and 12 of the Grounds of Appeal stated under the heading The Opponent's Costs:

- “11. The Opponent's costs of filing and bringing the Opposition to a successful conclusion were over £100,000. Detailed schedules of costs will be provided with the Opponent's skeleton argument or written submissions at the appropriate time.
12. If the Hearing Officer had properly considered the issue of costs in a manner which was reasonable and just he ought to have:
 - (a) exercised his discretion to make an award of costs off the standard scale; or
 - (b) in the absence of any submissions from either party as to the costs incurred in bringing and contesting the opposition, would have invited the parties either to make submissions as to costs or to make observations on any costs award made.”

The Opponent had not previously notified the Registrar or the Applicant that it claimed to have incurred costs of more than £100,000 in pursuing the Opposition to a successful conclusion. The related 'schedules of costs' were produced shortly before the hearing of

the appeal, on 12 January 2010. They indicated that the Opponent was claiming costs of £152,296.80. It is not clear to me whether any of the work covered by that claim had relevance and value in relation to any other of the parallel proceedings pending between the parties in the Registry.

10. For reasons which have not been explained, the Registry did not send the Applicant a copy of the Opponent's Notice and Grounds of Appeal until 7 September 2009. The Applicant then had 21 days within which to file a Respondent's Notice under Rules 71(4) to (6) of the Trade Marks Rules 2008 if it wished to contend that the Hearing Officer's decision with regard to costs should be upheld on grounds different from or additional to those which he had given. It filed a Respondent's Notice to that effect on 28 September 2009. In the meantime, on 16 September 2009, it had filed a request on Form TM9 for an extension of the time prescribed by Rule 71(2) of the Trade Marks Rules 2008 for appealing against the substantive decision upholding the Opponent's objection to registration under Section 3(6) of the 1999 Act. As I have already indicated, the period of 28 days prescribed by Rule 71(2) had expired on 2 July 2009.

11. In Annex I to the Form TM9 it was confirmed that the Applicant had originally chosen not to appeal the Hearing Officer's decision. This was said to have been a commercial choice based on the perceived value and importance of the mark in issue. It was noted, in particular, that the costs likely to be incurred in any appeal were thought not to be warranted by the mark's modest commercial import to the Applicant. However, the Opponent's appeal on costs had implications for the Applicant which were said to render

a cross-appeal commercially advisable. The Applicant therefore sought an extension of time for appealing against the Hearing Officer's decision over until 6 October 2009.

12. The Opponent objected to the requested extension of time. On 24 September 2009 the Registry indicated that it was minded to refuse the extension. The Applicant asked for a hearing at which to pursue its request. This took place before Mrs. Ann Corbett acting on behalf of the Registrar of Trade Marks on 12 November 2009. Both sides lodged skeletons of argument and made oral submissions in support of their contentions.

13. The Hearing Officer was informed that the Applicant had taken no steps to prepare a Notice of Appeal in advance of the hearing and that an extension of time beyond the date of the hearing would be needed for the purpose of enabling a Notice and Grounds of Appeal to be filed. She refused the request for an extension for the reasons she gave in a decision issued under reference BL O-368-09 on 24 November 2009.

14. She was not satisfied that the reasons given either for the delay in making the request or for making the request were sufficient to justify the grant of an extension. Having directed herself by reference to the guidance in Tribunal Practice Notice TPN 2/2008, to the decisions referred to in that Notice and to my decision in LIQUID FORCE Trade Mark [1999] RPC 429 she expressed the view that the length of extension requested by the Applicant was extraordinary and would need to be justified by extraordinary circumstances. However, she was not impressed by the Applicant's reasons for saying that it should be relieved of the consequences of its decision not to appeal in July 2009 so as to clear the way for it to cross-appeal in relation to the Opponent's appeal on costs: paragraphs [25] to [30]. The Opponent asked for an award of compensatory

costs and claimed the sum of £7,669.40 by reference to a schedule of costs prepared for consideration in that connection. The Hearing Officer decided that £500 was an adequate and appropriate amount to award. The Opponent did not appeal against that order for costs.

15. For its part the Applicant filed an appeal against her decision on 7 December 2009. In its Grounds of Appeal it maintained that it should have been permitted to appeal out of time primarily on the basis that it was seeking to cross-appeal following a material change of circumstance and should not be required to defend itself against the Opponent's appeal on costs without having the opportunity to contend that there was no basis for making any order for costs against it in the first place. The grounds on which it supported that contention were set out in draft Grounds of Appeal put forward by the Applicant's solicitors on 2 December 2009.

16. Various draft amendments to the Respondent's Notice it had filed on 28 September 2009 were also put forward on 2 December 2009. These asserted that it should be possible for a Respondent's Notice filed under Rules 71(4) to (6) of the Trade Marks Rules 2008 to function as a cross-appeal by analogy with the provisions of CPR 52.5. The practice with regard to the filing of Respondent's Notices by way of cross-appeal under CPR 52.5 is summarised in paragraph 52.5.4 of the White Book 2009 in the following terms:

“Respondent seeking to vary the order of the court below

If the respondent seeks to vary the order of the court below, then he must (a) file and serve a respondent's notice and (b) apply for permission to appeal. The criteria and procedure for granting permission to appeal have been discussed above.

In practice, however, respondents may find it somewhat easier to obtain permission than appellants. Once one party has obtained permission to re-open the case upon appeal, it may be inappropriate to tie the other party to the terms of the original judgment. If the appeal and cross-appeal are linked (e.g. the defendant disputes the finding of liability and the claimant responds by challenging the level of contributory negligence), it will often be illogical to grant permission to one party and refuse it to the other.”

This broadly identifies the approach which would have been adopted in relation to the Applicant’s request for permission to cross-appeal out of time if the Opponent had brought its appeal on costs before the High Court in London rather than before an Appointed Person. The fact that the appeal was brought before an Appointed Person should not have resulted in the adoption of a significantly different approach to the Applicant’s request for an extension of time within which to cross-appeal.

17. The Applicant’s appeal against the decision issued by Mrs. Corbett on 24 November 2009 came on for hearing at the same time as the Opponent’s appeal against the decision on costs issued by Mr. Salthouse on 3 May 2009. I indicated at the hearing that the Applicant’s appeal would be allowed for reasons to be given in my decision dealing with the substance of the permitted cross-appeal in due course. The procedure for dealing with the permitted cross-appeal is to be the subject of directions following the determination of the Opponent’s prior appeal on costs, to which I now turn.

18. Section 68(1) of the 1994 Act establishes that:

“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.”

Rule 67 of the 2008 Rules accordingly provides that

“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.”

Decisions as to costs must be taken in the manner prescribed by Rule 63:

“Decisions of registrar to be taken after hearing

63.—(1) Without prejudice to any provisions of the Act or these Rules requiring the registrar to hear any party to proceedings under the Act or these Rules, or to give such party an opportunity to be heard, the registrar shall, before taking any decision on any matter under the Act or these Rules which is or may be adverse to any party to any proceedings, give that party an opportunity to be heard.

(2) The registrar shall give that party at least fourteen days’ notice, beginning on the date on which notice is sent, of the time when the party may be heard unless the party consents to shorter notice.”

In inter partes proceedings the Registrar’s hearing officers will normally, if asked to do so, provide the parties with an opportunity to make representations on the question of costs after they have received the decision on the merits. Otherwise, the standard practice of awarding costs as part of the overall decision on the merits will apply. Either way, the decision on costs falls to be dealt with in accordance with the provisions of Rule 69:

“Decision of registrar (Form TM5)

69.—(1) The registrar shall send to each party to the proceedings written notice of any decision made in any proceedings before the registrar stating the reasons for that decision and for the purposes of any appeal against that decision, subject to paragraph (2), the date on which the notice is sent shall be taken to be the date of the decision.

(2) Where a statement of the reasons for the decision is not included in the notice sent under paragraph (1), any party may, within one month of the date on which the notice was sent to that party, request the registrar on Form TM5 to send a statement of the reasons for the decision and upon such request the registrar shall send such a statement, and the date on which that statement is sent shall be deemed to be the date of the registrar’s decision for the purpose of any appeal against it.”

19. The long established practice in Registry proceedings is to require payment of a contribution to the costs of a successful party, with the amount of the contribution being determined by reference to published scale figures. The scale figures are treated as norms to be applied or departed from with greater or lesser willingness according to the nature and circumstances of the case. The Appointed Persons normally draw upon this approach when awarding costs in relation to appeals brought under Section 76 of the 1994 Act.

20. The use of scale figures in this way makes it possible for the decision taker to assess costs without investigating whether or why there are: (a) disparities between the levels of costs incurred by the parties to the proceedings in hand; or (b) disparities between the levels of costs in those proceedings and the levels of costs incurred by the parties to other proceedings of the same or similar nature. This approach to the assessment of costs has been retained for the reasons identified in Tribunal Practice

Notice TPN 2/2000 (Kerly's Law of Trade Marks and Trade Names 14th Edn. 2005 pp. 919 et seq).

21. It is for the Registrar to decide in the first instance whether it would be appropriate to depart from the published scale figures in the exercise of the power to award such costs as he may consider reasonable under Rule 67. In that connection Tribunal Practice Note TPN 4/2007 provides the following guidance:

“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.”

22. It should at this point be emphasised that an award of costs must reflect the effort and expenditure to which it relates, without inflation for the purpose of imposing a financial penalty by way of punishment for misbehaviour on the part of the paying party. It is certainly not possible for the Registrar to award compensation to the receiving party for the general economic effects of the paying party’s decision to pursue the proceedings in question: Gregory v. Portsmouth City Council [2000] 2 WLR 306 (HL); Land Securities Plc v. Fladgate Fielder (A firm) [2009] EWCA Civ 1402 (18 December 2009).

23. The power to award costs under Rule 67 remains broad and flexible to a degree which leaves relatively little room for an appellant to establish that the exercise of it was wrong in the circumstances in which it came to be exercised. As Sir Peter Gibson observed in Martin v. Randall [2007] EWCA Civ 1155 at paragraph 16:

“An appellate court’s ability to interfere with a trial judge’s exercise of discretion is constrained. It is only where the trial judge has exceeded the generous ambit within which reasonable disagreement is possible that the appellate court is entitled to interfere. An often adopted statement of the circumstances in which an appeal against an exercise of discretion will be allowed is that of Stuart-Smith LJ in *Roache v. News Group Newspapers Ltd* [1998] EMLR 161 at p 172:

‘Before the court can interfere it must be shown that the judge has either erred in principle in his approach or has left out of account or has taken into account some feature that he should, or should not, have considered, or that his decision was wholly wrong

because the court is forced to the conclusion that he has not balanced the various factors fairly in the scale.’ ”

Moving forward on that basis it would be necessary for the Opponent to establish that the Hearing Officer’s decision on costs was untenable.

24. In support of its appeal on costs the Opponent has identified various reasons why the Hearing Officer could legitimately have awarded costs off the scale if he had seen fit to do so. They are reasons which could and should have been put before him (with an itemised statement of costs as envisaged by paragraph 7 of TPN 4/2007) in support of a request for such costs to be awarded. That did not happen. In an attempt to retrieve its position, the Opponent is now pursuing two lines of argument on appeal: (1) that the Hearing Officer issued his decision on costs without giving it an opportunity to be heard in accordance with the requirements of Rule 63; and (2) that the Hearing Officer should have done what it wanted him to do with regard to costs, even without being asked to do so.

25. The first line of argument faces the difficulty that the Registry wrote to the Opponent in the following terms on 22 January 2009 (with emphasis added by me):

“The decision in relation to this case will be made on the basis of the evidence and/or submissions now accepted into the proceedings. The Hearing Officer will decide the case on the specification currently before him. The applicant may wish to submit a limited specification which will be borne in mind by the Hearing Officer in reaching the decision. This will not represent a binding restriction of the specification.

The parties have a choice as to how the decision should be reached by the hearing officer:

A decision can be made from the evidence and any written submissions made by the parties. This “decision from the papers” will involve a thorough analysis of all the evidence and full consideration of any written submissions made by the parties.

If the parties wish to have a decision made from the papers they can provide written submissions within six weeks of the date of this letter, that is on or before **5 March 2009**. A copy of any submissions should be sent to the other party. The decision should be issued within two months of the expiry of this six week period.

A hearing can be requested. Again the hearing officer will make a thorough analysis of all the evidence. However, submissions will be oral rather than in writing. Please note that a hearing is **not** an opportunity to give further evidence but an opportunity to make submissions in relation to the relevant law and the facts of the case.

Hearings take place in our London and Newport offices. In the case of London hearings, the hearing officer may be in Newport; conducting the hearing via a video conference link.

Under rule 63(1) of the Trade Marks Rules 2008 either party has a right to a hearing. If one party requests a hearing then there will have to be hearing. (The other party is, however, not obliged to attend the hearing and it can make written submissions.)

If there is to be cross-examination a hearing will, of course, be necessary.

If either party wishes to be heard they should notify the registry in writing within one month of the date of this letter, that is on or before **22 February 2009**. If the parties want a hearing they can book a hearing date agreed between them, and from those available, via our website at www.ipo.gov.uk. If no response is received on or before **22 February 2009** we will assume that the parties are content for a decision to be made from the papers.”

This gave the Opponent an opportunity to be heard, in accordance with the provisions of Rule 63(1), in relation to all aspects of the case in the countdown to the final

determination. In my view, the costs of the proceedings were an aspect of the case in relation to which the Opponent was thereby given an opportunity to be heard in advance of the final determination.

26. The Opponent elected (as did the Applicant) to avail itself of the opportunity to be heard by filing detailed written submissions for the Hearing Officer's consideration. In its written submissions it claimed costs in a single sentence:

“Conclusion

72. For the reasons set out above the Opponent submits that the Application was filed in bad faith and should be refused and that an order for costs be made in favour of the Opponent.”

As I have already indicated, there was no request for an award of compensatory as opposed to scale costs, there was no request for an opportunity to make representations on costs after receipt of the decision on the merits and no itemisation of costs was provided. The Hearing Officer was not informed that an award was being sought in respect of costs incurred in excess of £100,000. The Opponent did not draw the Hearing Officer's attention to any specific factors that it wanted him to take into account when making the requested order for costs in its favour. In short, the Opponent did not fully avail itself of the opportunity it had been given to make oral and/or written representations on the question of costs ahead of the final determination of the proceedings. That is not a state of affairs which can fairly be said to have resulted from a failure on the part of the Registrar to comply with the requirements of Rule 63.

27. The second line of argument faces the difficulty that the Hearing Officer could only have expressed himself as he did (see paragraph 7 above) on the basis that he had considered whether to make an award of costs off the scale and decided not to do so. That is the nub of the decision which the Opponent would, in the ordinary way, be required to challenge from the perspective identified by Sir Peter Gibson in Martin v. Randall (above). And it is here that the problem with the Hearing Officer's decision on costs becomes apparent. In order for the Opponent to establish that the Hearing Officer's decision not to award costs off the scale was untenable, it would need to show that the way in which he had grappled with the point was substantially flawed. However, it is not possible to deduce from his decision or from the context and circumstances in which it was made why, having considered whether it would be appropriate to depart from the published scale, he decided not to do so.

28. The issue at the root of the Opponent's appeal is whether the Hearing Officer had in the relevant respect given reasons for his decision that were sufficient to satisfy the requirement for a statement of reasons to be provided under Rule 69 of the Trade Marks Rules 2008. Following discussion of that point at the hearing before me, the Opponent sought and obtained permission to amend its Grounds of Appeal so as to contend that the Hearing Officer's decision on costs should be set aside for procedural irregularity by reason of his failure to provide a sufficient statement of reasons therefor. The parties were given an opportunity to file further written submissions in relation to that issue. They both did so and I have taken their submissions into account for the purposes of my deliberations on this aspect of the appeal.

29. I begin by reminding myself of the warning given by Robert Walker LJ in REEF Trade Mark [2003] EWCA Civ. 763 (28 May 2002) at paragraph [29] that the duty to give reasons must not be turned into an intolerable burden. His warning was linked to the test for assessing sufficiency of reasons which had recently been set out in paragraph [19] of the judgment of the Court of Appeal in English v. Emery Reimbold & Strick Ltd (and conjoined appeals) [2002] EWCA Civ. 605 (30 April 2002):

“...the judgment must enable the appellate court to understand why the judge reached his decision. This does not mean that every factor which weighed with the judge in his appraisal of the evidence has to be identified and explained. But the issues the resolution of which were vital to the judge’s conclusion should be identified and the manner in which he resolved them explained. It is not possible to provide a template for this process. It need not involve a lengthy judgment. It does require the judge to identify and record those matters which were critical to his decision...”

I should also refer to paragraph [91] where the Court of Appeal in English specifically addressed the position in relation to orders for costs in the following terms:

“...when is it necessary to give reasons for an order for costs and what should the approach of the appellate court be if reasons have not been expressly given for the judge’s decision? We have already concluded that reasons need not be given where they are clearly implicit from the order made. The obvious example is an order that the costs follow the event where neither party has urged the court to reflect any other factor. In such a case it is self-evident why the order was made: the court thought that the usual position should apply. On the other hand, if the reasons for the order are not obvious, the judge should provide reasons. ...”

30. Try as I may, I cannot find that the Hearing Officer's reasons for deciding not to award costs off the scale are obvious or that he has identified and recorded the matters which were critical to his decision in that regard. In the context of the seven sentences which make up his decision on costs, the passing remarks in the second and fourth sentences serve only to confirm that he was not deflected from considering whether there should be an award of costs off the scale by the Opponent's failure to ask for costs to be awarded on that basis. I have no idea why he thought that the substantial burden of work and effort inflicted upon the Opponent by the need to overcome the Applicant's rejected defence and rejected evidence should attract only an award of scale costs in the non-compensatory sum of £2,700. In the circumstances, I consider that the Hearing Officer's decision on costs was procedurally irregular for lack of reasons sufficient to satisfy the requirement for a statement of reasons under Rule 69 of the Trade marks Rules 2008. I am not prepared to regard the irregularity as insignificant or insubstantial. I therefore direct that paragraphs [79] and [80] of the decision issued under reference BL O-154-09 be struck out and that the question of costs be remitted to the Hearing Officer for determination de novo in accordance with the Act and the Rules, upon the basis and in the light of the paragraphs of his decision (paragraphs 1 to 78) which remain unaffected by the present appeal.

31. The Opponent asked me to make an order against the Applicant for an interim payment on account of costs pending any further determination that the Hearing Officer might be directed to make. Even if I have the power to make an order for interim payment (as to which I say nothing) I do not think it would be appropriate for me in my capacity as an appellate tribunal to take any step which might be thought to reflect a view

on the outcome of the determination I have directed the Hearing Officer to make de novo. I therefore decline to make an order for interim payment.

32. It remains to be considered what order for costs I should make in relation to the present appeal and whether there should be a stay of the Applicant's pending appeal against the Hearing Officer's decision on the substance of the Opponent's objection to registration under Section 3(6) of the Act. I direct the parties to send me their written representations in relation to these matters within 7 days of the date of this decision. They should at the same time copy their representations to the opposite party and to the Treasury Solicitor's Department under the case reference applicable to this appeal. If neither party informs me in writing within 10 days after the date of this decision that it wishes to be heard in relation to the matters that remain to be determined, I shall proceed to issue a supplementary decision dealing with those matters.

Geoffrey Hobbs QC

8 February 2010

Roland Mallinson of Taylor Wessing LLP appeared on behalf of the Opponent.

Giles Fernando instructed by Barlow Robbins LLP appeared on behalf of the Applicant.

The Registrar was not represented.