O/044/12

SUPPLEMENTARY DECISION ON COSTS

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION 2167265

IN THE NAME OF ASTAN MORARJI

IN RESPECT OF THE TRADE MARK:

RED MONKEY

IN CLASS 25

AND

AN APPLICATION TO RECTIFY THE REGISTER (UNDER NO. 83315) BY:
PAUL WILLIAM MORGAN

SUPPLEMENTARY DECISION ON COSTS

1) On 21 November 2011 I issued a substantive decision in these proceedings in which I held that the ownership of the trade mark in issue should be corrected from Astan Morarji, to the joint names of Mr David G Cooper and Mr Paul W Morgan. In relation to costs I stated:

> "39) I will not award costs at this stage because it would need to reflect any expenses incurred by Mr Morgan and Mr Cooper in attending the hearing for cross-examination. Such information, together with any supporting documents, should be sent for my consideration within 28 days of the date of this decision. I will then issue a supplementary decision on costs. The appeal period for this substantive decision will run concurrently with the appeal period for my decision on costs."

2) On behalf of Mr Morgan (the sole applicant for rectification) I received submissions from his trade mark attorney, Mr Madgwick of Ruschke Madgwick Seide & Kollegen, in which he refers to a variety of costs including:

i) The travel expenses (£45) of Mr Cooper (a witness who gave evidence for the applicant) who attended the hearing to be cross-examined;

ii) The travel expenses (£66) and associated costs (£60 for someone to cover his absence at work) of Mr Morgan who also attended the hearing for cross-examination;

iii) The costs (£900) for the filing of evidence (in written form) from Ms Margaret Webb, a consultant graphologist;

iv) The "considerable" (but unspecified) legal costs associated with Mr Madgwick's representation of Mr Morgan; Mr Madgwick was appointed representative in January 2010.

3) The one issue in relation to costs that needs to be resolved is that the costs incurred by Mr Morgan (since Mr Madgwick was appointed) are to be borne by another person. That person, Mr Pendergrass, is an assignee-in-waiting. When (subject to appeal) my findings are implemented, Mr Cooper and Mr Morgan have agreed to transfer their ownership to Mr Pendergrass. Mr Morgan confirmed under cross-examination that this was the case. Both at the hearing and in further written submissions, Mr Morarji's representative (Mr Waine of Murgitroyd & Company) argued that Mr Morgan should not be awarded costs because costs are meant to represent a contribution to the expenditure incurred by the respective party and not as a prize for success. It is argued that as Mr Morgan will not expend anything (Mr Pendergrass will) then he ought not to have an award in his favour. Mr Madgwick disagrees; he sums up his written submissions thus:

> "Although Mr. Morgan's costs will ultimately be borne by Mr Pendergrass to whom the trademark was sold in January 2010, that arrangement should have

no influence on the contribution towards costs. The normal scale of costs should, therefore, be followed"

4) The registrar has a wide discretion in relation to costs although, in the normal course of events, he works from a published scale. I understand Mr Waine's argument, particularly in the light of a number of cases that have expressed caution that an award of costs should not exceed what has actually been expended[1]. However, it seems to me that such guidance relates more to circumstances where there have been no costs at all or, alternatively, where the actual costs expended are less that any potential award. However, the position before me is that costs have, as a matter of fact, actually been incurred in relation to Mr Morgan's legal (and other) expenses. The existence of an arrangement between Mr Pendergrass and Mr Morgan in relation to the payment of those costs should not, in my view, prevent a contribution towards such costs from being made. Clearly, the arrangement between Mr Pendergrass and Mr Morgan should take the award I intend to make into account, but that is a matter left for them to organise. In the circumstances, I consider it appropriate to make an award of costs in favour of Mr Morgan.

5) In relation to what level of costs to award, I am conscious that legal costs would have been incurred only from January 2010 onwards. Prior to that Mr Morgan represented himself. In the following calculations I have borne this in mind and for any sums awarded prior to the appointment of Mr Madgwick as a representative, I have reduced by 50% what I would otherwise have awarded to take into account Mr Morgan's status as a litigant-in-person. In relation to the expenses of Mr Morgan and Mr Cooper for attending the hearing for cross-examination, they strike me as more than reasonable and they will be compensated in full. In terms of the evidence of Ms Webb, this will not be calculated separately, but will be dealt with as per the published scale. My breakdown of costs is, therefore, as follows:

Filing a statement and considering the other side's statement
£100

Filing/considering evidence whilst Mr Morgan was unrepresented
£200

Filing/considering evidence during the time in which Mr Morgan was represented
£600

Representation at the hearing
£600

Expenses for Mr Morgan
£126

Expenses for Mr Cooper
£45

[1] See , for example, the decision of Richard Arnold QC (sitting as the Appointed Person) in *South Beck* BL O/160/08

Total
£1671

6) I hereby order Mr Astan Morarji to pay Mr Paul William Morgan the sum of £1671. This sum should 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 appeal period in relation to this supplementary decision will run concurrently with my earlier substantive decision.

Dated this 3rd day of February 2012

Oliver Morris
For the Registrar,
The Comptroller-General