

O/073/12

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2454142  
BY ALLORO RESTAURANTS LIMITED TO REGISTER THE TRADE MARK**

**ALLORO**

**IN CLASS 43**

**AND IN THE MATTER OF OPPOSITION  
THERE TO UNDER NO 96511  
BY ALLORI LIMITED**

**AND**

**IN THE MATTER OF REGISTRATION NO 2416357 IN THE NAME OF ALLORI  
LIMITED IN RESPECT OF THE FOLLOWING TRADE MARK IN CLASSES  
17, 35, 37, 39 AND 43:**



**AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERE TO  
UNDER NO 83459 BY ALLORO RESTAURANTS LIMITED**

**SUPPLEMENTARY DECISION ON COSTS**

1) In my decision of 20 December 2011, in respect of consolidated proceedings relating to Opposition No. 96511 and Application for a Declaration of Invalidity No. 83459 (Decision BL O/464/11), Alloro Restaurants Limited (“ARL”) was successful in its invalidation action to the extent that the resultant scope of Allori Limited’s (“AL”) earlier mark was reduced in such a way that its opposition against ARL’s application failed in its entirety. Consequently, I found that ARL was entitled to an award of costs. At paragraph 52 of my decision, I permitted ARL to make submissions regarding an award of costs over the published scale.

2) ARL duly filed written submissions on 9 January 2012. No submissions were received from AL.

3) In general terms, ARL claims that AL failed to conduct proceedings in an efficient and professional manner and that it claims that it put forward entirely reasonable settlement proposals which were dismissed by AL. Further, it also seeks costs for the interlocutory hearing held on 2 September 2010.

### **Interlocutory Hearing**

4) In respect of the costs relating to the interlocutory hearing, ARL claims that AL insisted upon a hearing to decide the matter of whether certain “without prejudice” documents should be allowed into the proceedings as exhibits to Mr Taylor’s witness statement. ARL submits that:

- a. AL’s basis for including the disputed material was to make a point regarding the conduct of ARL and not to address the substance of the dispute;
- b. Mr Taylor explicitly and repeatedly indicated his understanding of the significance of “without prejudice” correspondence, yet made various references to the terms and content of the parties’ without prejudice negotiations;
- c. The dispute on this point delayed proceedings by some 15 months.

5) It is submitted that it was unreasonable for AL to take the approach of attacking ARL’s conduct by, not only trying to admit “without prejudice” material, but then to compound the issue by insisting on a hearing in order to attempt to retain part of the evidence that did little to assist the tribunal in resolving the substantive issues, but rather, went to support what was essentially a point on costs. Further, ARL has cited AL’s refusal to adopt a realistic stance when the authorities are clear on whether material is to be considered without prejudice.

6) AL’s representative in these proceedings is an accountant and auditor but not a trade mark attorney or even a solicitor. Consequently, I would not expect the representatives’ knowledge of trade mark law to be markedly different to an unrepresented litigant. It is clear from the circumstances that the representative

had a lack of understanding of the meaning of “without prejudice”, but I do not consider this as a sufficient reason to award costs above the normal scale. I do not get the impression that there was any intention to delay proceedings or increase costs. Rather, there appears to have been a genuine (if misguided) attempt to show ARL in what AL believed was the true light. Therefore, I decline to make an award of costs, in respect of this issue, that is above the normal scale. Normal scale costs are appropriate.

7) Nevertheless, ARL has been successful in the interlocutory proceedings and is entitled to an award. The hearing officer at the Interlocutory Hearing has indicated that £300 was a reasonable award. Having reviewed the circumstances of those proceedings, I note that, after the hearing, ARL was required to identify what, it believed, needed to be redacted from AL’s evidence and submissions. I believe an additional amount of costs is appropriate to also reflect this work. Accordingly, taking account of this additional work and the indication of the hearing officer, I award a total of £400 in respect of the Interlocutory Hearing.

### **Settlement Proposals**

8) ARL’s position is that it made repeated efforts to negotiate a settlement with AL; with the original proposal made three and a half years before the Registry decision and also being more favourable to AL than my eventual finding. All the costs during the intervening period could have been avoided.

9) A subsequent settlement proposal clearly explained why ARL “had a good, arguable case for invalidating AL’s mark” and offered a £500 contribution towards AL’s costs. ARL also made it clear that if AL opposed its mark, a counter invalidation action was the very likely outcome. A subsequent settlement proposal by ARL was rejected out of hand by AL.

10) ARL’s partial success in its invalidation action was subsequently sufficient to defeat the opposition proceedings instigated by AL. Finally, ARL points out that AL ignored the Registry’s preliminary indication. ARL is wrong on this last point. The preliminary view of the Registry, issued 9 April 2009, states that AL’s opposition will succeed in relation to all the services listed in ARL’s application.

11) Once again, whilst AL’s representative may have been misguided in its dismissal of ARL’s settlement proposals, I am satisfied that it was done in the belief that AL would ultimately be successful in the proceedings. AL believed its own case was arguable and as such, it was a reasonable business decision not to engage in settlement negotiations. Despite ultimately counting against AL, this was a position that AL was entitled to take. Consequently, it is my view that AL rejection of the settlement proposals was not unreasonable, even if it may have been misguided (but I make no judgment on this). Consequently, I make no award of costs to reflect the impact upon the proceedings of the failure of AL to accept ARL’s settlement proposals.

## Main Hearing

12) ARL points out that AL did not attend the hearing, or file skeleton arguments and did not give any notice to ARL; appearing to lose interest in the dispute despite having fought all the way up to that point and did not bother to explain itself to ARL or the Registry. It is true that that the Registry, by letter of 7 July 2011, directed that the parties attend the hearing (in line with TPN 6/2009). Such a direction was taken to ensure that both parties were not disadvantaged in their prosecution of the invalidation proceedings as, following the High Court decision in *William Evans and Susan Mary Evans (a partnership trading together as Firecraft) v Focal Point Fires Plc* [2009] EWHC 2784 (Ch) ("*Firecraft*"), such cases may have significant consequences for civil actions for infringement subsequent to an invalidation decision of the registrar.

13) AL, in its letter to the Registry, dated 23 August 2011, informed the Registry that despite this direction, it had considered its position and instructed its representatives that it considers that a determination could be made from the papers. Therefore, it chose not to avail itself to the opportunity presented to it to put its full submissions at a hearing. The Registry's direction was made to offer the parties the best opportunity to present its arguments in light of the High Court's decision in *Firecraft*, but nonetheless, AL was entitled to make the business decision that it did.

14) AL notified the Registry in writing some two and a half months before the hearing. ARL's submission that AL did not give adequate warning suggests that AL's letter of 23 August 2011 was not copied to ARL. If this was the case, this was unfortunate, but in light of the directions given regarding attendance at the hearing, I do not see a failure to copy the letter to ARL as being determinative of the point.

15) In summary, balancing all the relevant facts, it is my view that the costs award in favour of ARL should reflect the published scale in respect of the costs relating to the hearing, and in the proceedings as a whole.

16) None of my findings above are disturbed by the guidance set out in TPN 2/2000 that is relied upon by ARL. Paragraph 9 of that document highlights some examples where a hearing officer may depart from the scale of costs and these include costs associated with evidence which, in the event, were not relied upon and if a party does not notify of its non-attendance at a hearing. However, the same paragraph also highlights the need for the hearing officer "to act judicially in all the facts of the case". My findings above reflect this requirement to act judicially.

17) Consequently, with the invalidation action being partially successful (but in respect of the crux issue between the parties) and the opposition failing as a result, ARL is entitled to a contribution towards its costs. I take account of the fact

that ARL attended the hearing, that both sides filed evidence and that the interlocutory hearing took place. I award costs on the following basis:

Considering Notice of Opposition and preparing counterstatement	£300
Preparing Application for Invalidity (including the official fee) and considering AL's statement	£500
Preparing for, and attending interlocutory hearing	£400
Preparing and filing evidence and considering AL's evidence	£900
Preparing for, and attending hearing	£800
<b>TOTAL</b>	<b>£2900</b>

18) I order Allori Limited to pay Alloro Restaurants Limited the sum of £2900. This sum is 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.

19) The appeal period for both the substantive decision BL O/464/11 and the issue of costs begins with the date of issue of this supplementary decision.

**Dated this 20<sup>th</sup> day of February 2012**

**Mark Bryant  
For the Registrar,  
the Comptroller-General**