

**O/841/21**

**TRADE MARKS ACT 1994**

**DECISION ON COSTS**

**FURTHER TO DECISION NO. O/737/21**

**IN THE CONSOLIDATED MATTERS BETWEEN  
JEMELLA GROUP LIMITED AND RHYTHM & BLUE INC. LIMITED  
IN RESPECT**

**(1) TRADE MARK APPLICATION NO. 3355743 AND OPPOSITION THERETO  
UNDER NO. 415963**

**(2) TRADE MARK APPLICATION NO. 3373130 AND OPPOSITION THERETO  
UNDER NO. 417249**

**AND**

**(3) APPLICATION NO. 502885 TO REVOKE TRADE MARK NO. 2527066**

## **BACKGROUND**

1. My decision in respect of the cross-consolidated oppositions and revocation proceedings referenced on the cover of this decision was published on 5 October 2021 under No. O/737/21. Paragraph 103 of that decision addressed matters of costs as follows:

*“Both parties have achieved a degree of success: R&B succeeded in its application for partial revocation of GHD’s trade mark registration No. 2527066, but failed in its opposition against GHD’s trade mark application No. 3355743, whereas GHD has succeeded in its opposition against R&B’s trade mark application 3373130. The greater balance of success therefore lies with GHD. In the ordinary course of events, the party succeeding in proceedings (or having the greater measure of such success) is entitled to a contribution towards its costs, in line with the scale set out in Tribunal Practice Notice 2/2016. At the hearing, Mr Ivison, on behalf of GHD, asked that any decision on costs be delayed and that parties should be afforded a period of time to file written submissions on costs having first received the tribunal’s decision on the substantive claims. In the circumstances, I invite the representatives for Gemella Group Limited (GHD) to file submissions as to costs (with copy to the other side) within 14 days of this decision, and permit the representatives for Rhythm & Blue Inc. Limited (R&B) 14 days from receipt of GHD’s submissions to file its own submissions as to costs (with copy to the other side).”*

### **GHD’s submissions on cost**

2. In requesting the hiatus in my dealing with costs, Mr Ivison on behalf of GHD at the hearing had indicated the prospect of seeking to refer to “Without Prejudice Save as to Costs” correspondence between the parties. In the event, while GHD duly filed submissions within the 14 days indicated in the paragraph extract above, I note that the submissions contain no reference at all to such correspondence, which detracts from the necessity to have put the parties to the need to have filed subsequent written submissions. The submissions from GHD seek costs up to the scaled cap set out in the annex to *Tribunal Practice Notice 2/2016*. It thus requested the maximum scaled costs of £5,200 based on the following task elements:

£650 for preparing its statements of case

£2200 for preparing its evidence and considering and commenting on the other side's evidence;

£550 for preparation of submissions;

£1600 for the hearing.

3. The submissions from GHD included the following points:
  - i. GHD's actual costs far exceed the figures for the work done under each of the above tasks headings, and that the request for maximum scaled costs reflects the nature of the dispute, which was more complex than usual and involved two oppositions and a cancellation action.
  - ii. GHD prepared over 400 pages evidence relating to several trade marks over a twenty-year period. GHD also reviewed R&B's evidence of over 260 pages and prepared responses in reply. GHD submits that the volume of evidence reflect the complexity of the proceedings and the multiple and extended timeframes over which evidence was required from both parties to establish passing off, use and reputation.
  - iii. GHD prepared submissions consisting of 87 paragraphs and 17 pages, which it submitted were necessary to reflect the multiple legal issues under consideration and magnitude of the evidence.
  - iv. GHD was represented by counsel at the hearing. Skeleton arguments were exchanged by the parties and consisted of a total of 54 pages.
  - v. GHD also requested £1,000 in respect of the costs it incurred following R&B's requests (i) for permission for an extension of time to file its evidence and submissions in reply and (ii) and to amend R&B's statement of case to plead honest concurrent use and to claim use of the sign GOOD HAIR DAY in relation to shampoo only, rather than hair care products generally.

#### **R&B's submissions on costs**

4. R&B duly availed itself of the opportunity to file its own submissions on costs, highlighting points including the following:
  - i. That GHD's submissions acknowledge no measure of success in the proceedings on the part of R&B, nor the aspects in which GHD's claims were rejected (including the failure of the grounds under sections 5(3) and 5(4)(a) of the Act.

- ii. That it was only in GHD's Skeleton Argument for the hearing that GHD narrowed its case to rely only on 3 registered trade marks (not the previously reduced six), and only on particular parts of their specifications. Unaware of that narrowed focus, its own Counsel, Mr Harbottle, spent unnecessary time addressing in his skeleton argument GHD's claims in their entirety based on 6 prior marks and passing off, such that R&B incurred costs.
- iii. That the Tribunal had admonished GHD in respect of its originally filed evidence, which the Tribunal considered had involved "*considerable degree of redundancy and repetition of points with diminishing returns, as well as material of no apparent relevance*" and had been required to refile "*with a greater discernment and selectivity with the aim of adhering to the limit of 300 pages indicated in TPN 1/2015 and certainly not exceeding 400 pages*".
- iv. That R&B had incurred costs in drafting, filing and making submissions on evidence of claimed confusion in witness statements from an attorney and a paralegal employed by GHD's legal representatives, whose particular knowledge of the brands were not representative of the average consumer
- v. A considerable proportion of GHD's evidence was directed at its use of GHD's trade mark registration No. 2527066 GOOD HAIR DAY, which mark was partially revoked in relation to goods in Class 3 and that as such GHD should not be entitled to recover for these costs.
- vi. That the reliance on honest concurrent was in the way of a clarification and R&B introduced no new facts.
- vii. That in the circumstances it would be appropriate to make no order as to costs.

### **Decision on costs**

5. The consolidated proceedings have involved relatively complex matters, requiring evidence in relation to various periods and signs. I also fully acknowledge that the scale costs, even at their maximum, fall far short of recovering for parties the actual costs incurred. However, the costs are intended, for the vast majority of cases, to be founded on a contribution-basis only. I have noted the thrust of the submissions from both sides, but I find that this is a case neither for the top-end award of costs, nor for no order of costs. I make no award in respect of R&B's extension of time request or amendment of grounds, nor do I take into account that GHD was required to reduce the volume of its initially filed evidence. At the hearing GHD effectively reduced the marks on which it

founded its attack; it would have been preferable to have sharpened that focus at an earlier stage of the proceedings, but I make no particular award for the avoidable expenditure there. The costs award below is estimated basically to reflect that both sides achieved some success in these proceedings as I indicated above, though with the greater balance achieved ultimately by GHD. Since official fees were payable on both sides (R&B succeeding in its revocation), I make no award to reimburse fees.

£300 for preparing a statement and considering the other side's statement

£850 for preparing evidence and commenting on the other side's evidence

£1100 in respect of the hearing

6. I order Rhythm & Blue Inc. Limited to pay Gemella Group Limited the sum of **£2250** (two thousand two hundred and fifty pounds). This sum is to be paid within 21 days of the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

**Dated this 16th day of November 2021**

**Matthew Williams**

**For the Registrar**

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