

O/0593/24

**TRADE MARKS ACT 1994
CONSOLIDATED PROCEEDINGS
DECISION ON COSTS**

**IN THE MATTER OF
TRADE MARK REGISTRATION NO.**

UK00003655661

**IN THE NAME OF
NARRATIVE CAPITAL PARTNERS LLC**

IN CLASSES 36, 38 AND 41

AND

AN OPPOSITION THERETO UNDER NO.

OP000434836

**AND IN THE MATTER OF
TRADE MARK REGISTRATION NO.**

UK00003521559

IN THE NAME OF

SATNAM MATHARU

IN CLASSES 9, 28, 35, 36, 38, 41 AND 42

AND

**AN APPLICATION FOR A DECLARATION
OF INVALIDITY THERETO UNDER NO.**

CA000505587

BACKGROUND

1. On 7 July 2022, Satnam Matharu (“Party A”) filed a Form TM7 opposing the trade mark application of Narrative Capital Partners LLC (“Party B”), UK00003655661, under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opposition number was OP000434836, and Party A relied upon trade mark number UK00003521559.
2. Party B defended the opposition using a Form TM8 and counterstatement dated 12 September 2022.
3. On 28 November 2022, Party B made an application to have the mark owned by Party A, UK00003521559, declared invalid under sections 5(4)(a) and 5(2)(b) in conjunction with section 56(1) of the Act. The cancellation application number was CA000505587.
4. Party A defended the cancellation application using a Form TM8 and counterstatement dated 13 February 2023.
5. The proceedings were consolidated on 5 April 2023, with the opposition case being the lead file.
6. Party A was represented by Beck Greener LLP and Party B was represented by Deloitte LLP.
7. On 14 February 2024, at 13:31, Party B emailed the Tribunal as follows:

“We act for Narrative Capital Partners in the above related consolidated proceedings (together, **our Client**). We are writing to inform the Registry that our Client respectfully requests the immediate withdrawal of:

- UK trade mark application no. UK00003655661; and
- Application for Invalidity no. CA000505587.

We look forward to receiving confirmation that the consolidated proceedings have been closed in due course.”

8. On the same date, 14 February 2024, the Tribunal wrote to the parties by letter to confirm that Party B’s requests had been actioned and the proceedings ended at that point.
9. On 20 February 2024, Party A emailed the Tribunal requesting costs in the matter as follows:

“We refer to Party B’s email below of Wednesday, 14 February 2024, withdrawing the subject consolidated proceedings in advance of the main hearing which was scheduled for 10am on Friday, 16 February 2024. We note that the tribunal has sent 2 letters dated 14 February 2024 confirming the withdrawal of UK Trade Mark Application No. UK00003655661 NARRATIVE ENTERTAINMENT which is the subject of Opposition No. OP000434836 as well as withdrawal of Cancellation No. CA000505587. However, Party B’s request to withdraw the proceedings was sent at 1.31pm on 14 February 2024, which is 29 minutes before the parties were due to file skeleton arguments and less than 2 business days before the case was due to be heard. Party A filed its skeleton argument in the proceedings on 14 February 2024.

Party B made a request that an oral hearing be appointed in its email to the tribunal on 8 September 2023 and has known that the hearing was scheduled since the tribunal’s letter of 5 December 2023. Party B has also been aware that Party A would be represented at the hearing since our email to the tribunal confirming this on 19 December 2023.

However, Party B has delayed withdrawing the proceedings until very late and consequently Party A has incurred unnecessary costs in preparing for the hearing. In particular, a significant amount of time has been spent drafting and filing a skeleton argument as required for the hearing. Prior to its email to the tribunal of 14 February 2024, Party B has not indicated at any point that it would not be attending the hearing

or that it was withdrawing the proceedings. It is unreasonable to expect Party A to meet the costs incurred in preparing for the hearing in these circumstances. Therefore, we request the tribunal issue an award of costs in Party A's favour as follows:

A) In line with the standard scale for the period of the proceedings prior to the hearing being scheduled, and

B) Indemnity costs off the scale for the costs incurred in preparing for the hearing, amounting to £2,275 (7 hours at £325 per hour by Kashif Syed) as itemised in the table below.

Date	Narrative	Value	Time
09-Feb-2024	Drafting skeleton argument	£162.50	0.5
12-Feb-2024	Further drafting skeleton argument	£845.00	2.6
13-Feb-2024	Further drafting skeleton argument	£910.00	2.8
14-Feb-2024	Further drafting, finalising and filing skeleton argument and authorities with UK tribunal, reviewing the other side's correspondence withdrawing proceedings and writing to UK tribunal to confirm cancellation of hearing."	£357.50	1.1

10. On 4 March 2024, the Tribunal forwarded Party A's correspondence to Party B and invited comments from Party B by 18 March 2024.

11. No comments on the matter were received from Party B.

12. On 26 March 2024, the Tribunal wrote to the parties as follows:

“Dear Sirs,

I refer to the official letter dated 4 March 2024 and note a response has not been received from Party B (Narrative Capital Partners LLC).

The Registry has considered the request for ‘off the scale’ costs and after reviewing the file, it is the preliminary view of the Registry that an award of £1000.00 in favour of Party A (Satnam Matharu) would be appropriate. In this case the Registrar can see no reason for awarding costs above the standard scale.

In line with TPN 2/2016, this amount is reached as follows:

Preparing a statement (TM7) and considering the other side’s statement (TM8)	£300.00
Preparing a statement (TM8) and considering the other side’s statement (TM26I)	£300.00
Preparing for a hearing (skeleton arguments)	£300.00
Official TM7 fee	£100.00
TOTAL	£1000.00

If either party disagrees with the preliminary view, they should request a hearing within 14 days from the date of this letter; that is on or before **9 April 2024.**”

13. On 28 March 2024, Party A emailed the Tribunal as follows:

“We refer to your letter of 26 March 2024 which in response to Party A’s application for costs (set out in our email of 20 February 2024) refuses its request for costs off the scale. We note that reasons for the decision

have not been provided and kindly request a statement of reasons – please see attached our **Form TM5** and debit our account of the £100 fee.

We are surprised by the tribunal’s decision, particularly as there have been various other cases where in similar circumstances a party was awarded above the scale costs. For instance, in another decision by the tribunal the applicant was awarded such costs in relation to an opposition withdrawn the day before the hearing – see decision attached [the decision that was attached being the decision of the Tribunal reference number BL O/240/18].”

14. In response to Party A’s email of 28 March 2024, the Tribunal wrote to Party A by letter on 2 April 2024 as follows:

“Should you object to the preliminary view on costs, you must request a hearing on, or before, **9 April 2024.**”

15. Party A duly requested a hearing.

HEARING

16. The hearing took place before me on Thursday 2 May 2024 via a Microsoft Teams audio call.

17. Mr Kashif Syed, from Beck Greener LLP, Party A’s representatives, attended the hearing. Mr Syed filed skeleton arguments, together with two authorities, Tribunal decision reference number BL O/240/18 and Tribunal decision reference number BL O/639/19.

18. Mr Syed summarised Party A’s skeleton arguments. While not disputing that a party is within its rights to withdraw from proceedings if it so wishes, Party A took issue with the timing of the withdrawal in this case and the consequent additional expense that Party A was put to.

19. I reproduce paragraphs 2 to 4 of the skeleton arguments below which summarise what Party A considers to be the timetable and circumstances of the matter at hand:

“2. Party B sent an email to the tribunal at 1.31pm on Wednesday, 14 February 2024 withdrawing the Application and the Invalidation (i.e. the subject consolidated proceedings) in advance of the main hearing which was scheduled for 10am on Friday, 16 February 2024. Party B’s withdrawal of the proceedings was sent 29 minutes before the parties were due to file skeleton arguments and less than 2 business days before the case was due to be heard. Party A filed its skeleton argument in the proceedings before 2pm on 14 February 2024.

3. In its letters dated 14 February 2024, the tribunal confirmed Party B’s withdrawal of the Application which is the subject of Opposition No. OP000434836 as well as withdrawal of the Invalidation. The tribunal made no award of costs.

4. The main hearing scheduled for 16 February 2024 was made at the request of Party B (not Party A) in its email to the tribunal on 8 September 2023. Party B had thus requested a hearing over 5 months prior to its withdrawal of the proceedings on 14 February 2024 and the hearing itself was scheduled by the tribunal in its letter of 5 December 2023, over 2 months prior to Party B’s withdrawal of the proceedings. Party B thus knew that a hearing would be scheduled and the scheduling of the hearing itself for many months. Party B had also been aware that Party A would be represented at the hearing and would be filing a skeleton argument since Party A’s email to the tribunal confirming this on 19 December 2023.

However, Party B unreasonably delayed withdrawal of the proceedings until very late and consequently Party A had incurred unnecessary costs in preparing for the hearing. In particular, a significant amount of time had

been spent drafting and filing a skeleton argument. Prior to its email to the tribunal of 14 February 2024, Party B has not indicated at any point that it would not be attending the hearing or that it was withdrawing the Application and the Invalidation. No mitigating explanation has been provided by Party B as to why the Application and the Invalidation were withdrawn less than 2 business days before the main hearing and why it could not have been withdrawn any earlier and before Party A had expended substantial time and resources preparing for the hearing. It is unreasonable to expect Party A to meet the costs incurred in preparing for the hearing in these circumstances.”

20. Party A cited two Tribunal decisions in support of its case:

“9. In its decision in Case O-240-18 (*J logo*), the tribunal awarded the applicant off the scale costs in relation to an opposition withdrawn the day before the hearing. The Hearing Officer, Mr Bryant held the following at [10]:

“I find that the lateness of the withdrawal of the opposition led to the applicant incurring unnecessary and avoidable costs in respect of its representative’s preparations for the hearing and the request of £4560 in respect of this appears reasonable.”

10. In its decision in Case O-639-19 (*BRENT*), the tribunal awarded the opponent off the scale costs. Relevant to this was the late withdrawal of the application, namely 2 days after the applicant was informed by the tribunal that a decision would be issued on the opposition in 2 weeks’ time. The Hearing Officer, Mr King held the following at [6-7]:

“However, as the various TPNs make clear, the tribunal may, if it considers it appropriate, make an award amounting to full compensation.”

The fact that the applicant is entitled to withdraw its application at any time does not change how I must approach the request for off the scale costs. This is because I must judge the applicant's behaviour objectively. Having done so, I am of the view that the applicant has in some respects acted unreasonably.”

21. Mr Syed also requested that costs be awarded for preparing for and attending this procedural hearing.

22. Mr Syed confirmed at the hearing that Party B had given no prior indication to Party A that it intended to withdraw.

23. I asked Mr Syed whether he considered the proceedings at hand to be particularly complex. He said that the proceedings involved consolidated cases and that evidence needed to be reviewed in the context of the section 5(4)(a) claim as part of preparing the skeleton arguments.

24. In respect of timings, I asked Mr Syed whether he was aware of the withdrawal at the point that the skeleton arguments for the main hearing were submitted. He said that he had seen correspondence to the effect that Party B was withdrawing a matter of minutes before Party A's skeleton arguments were submitted, but by that point the skeleton arguments had already been written. They needed to be filed by the deadline pending formal confirmation of the proceedings being at an end.

LEGISLATION AND GUIDANCE

25. Section 68 of the Act states as follows:

“(1) 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.

[...]"

26. Rule 67 of the Trade Marks Rules 2008 provides:

"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 what parties they are to be paid."

27. I also note the following guidance from the "Off scale costs" section of Tribunal Practice Notice ("TPN") 4 of 2007:

"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 itemising the actual costs incurred."

DECISION

28. It is clear that the relevant legislation allows for the award of such costs as may be considered reasonable.
29. I consider Party A to have complied with the relevant guidance in that it has submitted an itemised bill of charges incurred for that part of the proceedings for which it is claiming off scale costs.
30. In considering Party A's arguments, I find that it has taken a proportionate approach to its request for costs in that it has accepted the on-scale costs award set out in the preliminary view of the Tribunal with the exception of the costs awarded for its preparation for the main hearing.
31. I find the arguments put forward by Party A to be cogent and note that I have no submissions from Party B which challenge or take issue with the timetable and circumstances that Party A has described.
32. While not being bound by previous decisions of the Tribunal, of the authorities cited by Party A, I note that Tribunal decision reference number BL O/240/18 is analogous to the matter before me. While Tribunal decision reference number BL O/639/19 is not on all fours with the matter before me, it is an example of off scale costs being awarded where the other party withdrew late in the day.
33. While Party B's behaviour during the course of the proceedings as a whole could not be said to be unreasonable, its behaviour did fall short of reasonable standard when it withdrew from the proceedings at short notice – 29 minutes before the parties were due to file skeleton arguments and less than 2 business days before the case was due to be heard at a main hearing – having given no prior indication to Party A that it was contemplating such an action.
34. As a result of timing of the withdrawal of Party B, Party A had been obliged to needlessly expend effort, time and money preparing, finalising, and submitting skeleton arguments for a main hearing. The proceedings at hand involved consolidated cases and Party A needed to review evidence in the context of a

section 5(4)(a) claim. I therefore diverge from the preliminary view of what the appropriate costs award should be under the circumstances.

35. I have decided to award off scale costs in respect of Party A's preparation for the main hearing. I find the itemised figures set out by Party A to be reasonable and therefore see no reason to amend its off scale request.

CONCLUSION

36. I have diverged from the preliminary view as to costs in respect of Party A's preparation for the main hearing. The other costs awarded in the preliminary view stand. I have also awarded Party A costs for preparing for and attending this procedural hearing.

37. The costs award documented in the preliminary view is set aside and I award costs to Party A as follows:

Preparing a statement (Form TM7) and considering the other side's statement (Form TM8)	£300
Preparing a statement (Form TM8) and considering the other side's statement (Form TM261)	£300
Preparing for a main hearing (skeleton arguments)	£2275
Official Form TM7 fee	£100
Preparing for and attending the procedural hearing	£300
Total	£3275

38. I order Narrative Capital Partners LLC to pay Satnam Matharu the sum of

£3275. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings (subject to any order made by the appellate tribunal).

39. This full written decision supersedes the preliminary view handed down by the Tribunal and therefore obviates the need for a statement of reasons for the preliminary view that had been requested by Party A.

Dated this 25th day of June 2024

John Williams
For the Registrar