

0/1067/24

TRADE MARKS ACT 1994

**SUPPLEMENTARY DECISION ON COSTS**

IN THE MATTER OF

TRADE MARK REGISTRATIONS NUMBERED 906295877 AND 913028865  
FOR THE TRADE MARKS

**BIOREPAIR**

AND

**Biorepair** **PRO-CLEAN**

IN THE NAME OF COSWELL S.P.A.

AND

APPLICATIONS FOR INVALIDITY UNDER NOS. 504622 AND 504623

BY

DR. KURT WOLFF GMBH & CO. KG

## Background

1. On 6 September 2024, I issued a decision under number O/0865/24 (“the earlier decision”) in respect of invalidation proceedings brought by Dr. Kurt Wolff GmbH & Co. KG (“Dr Wolff”) to invalidate two trade marks numbered 90629877 and 913028865 registered in the name of Coswell S.p.A. (“Coswell”). The consequence of that decision is that the application was successful and the aforementioned trade marks were invalidated. As part of those proceedings Coswell sought to strike out Dr Wolff’s applications as having been brought as an abuse of process. That application was unsuccessful. This supplementary decision deals with the costs award to be made in respect of those proceedings.

2. At the hearing whilst both parties accepted that any costs relating to the invalidation proceedings were suitable to be determined as on scale costs, each submitted that any costs in relation to the strike out application should be awarded off scale to the successful party.<sup>1</sup> Having rejected Coswell’s strike out application, I found that Dr Wolff was entitled to on scale costs for the invalidation action and actual costs reasonably incurred for defending the strike out application. The reasons for this determination were set out at paragraphs 111 to 114 of my earlier decision. I directed that Dr Wolff file its submissions on costs within 14 days of the decision and that Coswell file its submissions in reply 14 days thereafter.

3. Dr Wolff filed its submissions and a breakdown of its costs on 19 September 2024.<sup>2</sup> Coswell chose not to file any submissions in reply.

### Off scale costs

4. Dr Wolff seeks its costs in the sum of £39,797.45. It provides a breakdown of the costs undertaken only in relation to the strikeout application and the work undertaken set out as follows:

5.3.1 reviewing the strike out grounds as set out in Coswell's letter of 7 November 2022;

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<sup>1</sup> Even though each submitted that a contrary position should be found in respect of the other’s application, that is, if they were unsuccessful then the other party should only be awarded on scale costs in relation to the strike out application.

<sup>2</sup> See witness statement of Robert Mathew Jacob (“RJ”) dated 18 September 2024 and exhibit RMJ27.

- 5.3.2 reviewing the UKIPO's preliminary indication dated 29 December 2022 in relation to the Strike Out Application and Coswell's further substantiation dated 12 January 2023 and drafting Dr Wolff's response thereto dated 19 January 2023;
- 5.3.3 drafting the witness statement of Jorn Harguth von Lackum dated 13 March 2023;
- 5.3.4 drafting the skeleton argument for the hearing;
- 5.3.5 reviewing Coswell's skeleton argument and preparing for the hearing (specifically additional research and the drafting of speaking notes);
- 5.3.6 attending the hearing; and
- 5.3.7 the costs of preparing this statement and the bill of costs.

5. It is said that whilst items 5.3.1 – 5.3.3 and 5.3.7 relate to workstreams that relate exclusively to the strike out application, items 5.3.4.-5.3.6 also included work on the substantive invalidity actions, however, the appropriate reduction has been recorded to reflect this and only the costs in relation to the strike out application have been claimed. An explanation as to the calculation of costs is provided as follows:

- 5.4.1 In relation to paragraph 5.3.4, the work involved in drafting the skeleton argument was naturally separated into two parts (i) the Strike Out Application; and (ii) the substantive invalidity actions. My team worked on the Strike Out Application parts of the skeleton argument first before moving on to the parts of the skeleton argument setting out the substantive invalidity actions. Their time entries specifically refer to which part of the skeleton argument their time related to. With this in mind, I have reviewed the narratives relating to the skeleton argument and have only included those entries in the bill of costs that make specific mention to the Strike Out Application. We also needed to involve specialists from our competition team [WS] to advise on the competition law aspects of the Strike Out Application.
- 5.4.2 In relation to paragraph 5.3.5, please note that whilst advocacy at the hearing was split between myself (who dealt with the Strike Out

Application) and [LE] (who dealt with the substantive invalidity actions), we both spent time reviewing Coswell's skeleton argument, reacting to it and preparing the speaking notes for the Strike Out Application. Considering the main focus of Coswell's skeleton argument was the Strike Out Application, I am confident that the majority of this workstream related to the Strike Out Application. However, despite this, I have applied a 50% weighting to the costs for this workstream so there can be no doubt that, at least, the costs requested in the bill of costs relate to the Strike Out Application only. We also needed to involve specialists from our competition team [MG and WS] to advise on the competition law aspects of the Strike Out Application.

5.4.3 In relation to paragraph 5.3.6, my recollection is that the majority of the hearing was taken up with dealing with the Strike Out Application. Accordingly, without the Strike Out Application the hearing would have been significantly shorter (or indeed may not have been required at all with the substantive invalidity actions being heard on the papers). However, I have applied a 50% weighting to the hearing costs so there can be no doubt that, at least, the costs requested in the bill of costs relate to the Strike Out Application only.

6. The breakdown of costs is set out as follows:

1. Review of strike out application 5.3.1. & 5.3.2.

Mid level associate (LE)	5 hours	£2,240
Junior Associate (NT)	8.1 hours	£2,579.85
<b>Total</b>	<b>13.1 hours</b>	<b>£4,819.85</b>

2. Completing witness statement 5.3.3

Mid level associate (LE)	4.9 hours	£2,195.20
Junior Associate (NT)	3.4 hours	£1,082.90
<b>Total</b>	<b>8.3 hours</b>	<b>£3,278.10</b>

3. Drafting skeleton argument 5.3.4

Managing Associate (LE)	16.1 hours	£8,540
Junior Associate (BHC)	14.8 hours	£4,713.80
Associate (WS) competition law	2.3 hours	£ 982.10
Partner (RJ)	4 hours	£2,688.00
<b>Total</b>	<b>37.2 hours</b>	<b>£16,923.90</b>

4. Preparation for hearing strike out only 5.3.5

Managing Associate (LE)	8.15 hours	£4,335.00
Partner (RJ)	5.1 hours	£3,427.20
Partner (MG) competition Law	0.5 hours	£ 255.50
Associate (WS) competition law	2.1 hours	£ 896.70
<b>Total</b>	<b>15.85 hours</b>	<b>£8,915.20</b>

5. Hearing 5.3.6

Managing Associate (LE)	1.85 hours	£ 984.20
Partner (RJ)	1.85 hours	£1,243.20
<b>Total</b>	<b>3.7 hours</b>	<b>£2,227.40</b>

6. Drafting costs statement 5.3.7

Solicitor Apprentice (SB)	3 hours	£ 945.00
Partner (RJ)	4 hours	£2,688.00
<b>Total</b>	<b>7 hours</b>	<b>£3,633</b>

**Overall total** **£39,797.45**

**Decision**

**Statutory provision**

7. Section 68 of the Trade Marks Act 1994 (“the Act”) states as follows:

“68 - (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.”

8. Rule 67 of the Trade Mark Rules 2008 sets out as follows:

**“Costs of proceedings; section 68**

67. 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.”

9. Tribunal Practice Notices (“TPN”) 2/2000 and 4/2007 are also relevant. TPN 2/2000 referred to the leading case of *Rizla Ltd’s Application* [1993] R.P.C. 365 which states:

“5. In light of *Rizla*, the office considers that the existing legislation provides the power to operate a nominal cost regime or a full cost recovery regime – or anything in between – and that no legislative change is necessary to put in hand any revision of that sort.”

10. And furthermore TPN 4/2007, in so far as off scale costs are concerned, states:

“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."

11. Section 68 and Rule 67 provide the Registrar with wide discretion to award costs, which was affirmed by Anthony Watson Q.C.<sup>3</sup> in *Rizla* at 377 when considering a very similar provision under the Patents Act 1977:

"The wording of section 107 could not in my view be clearer and confers on the Comptroller a very wide discretion with no fetter other than the overriding one that he must act judicially."

12. In so far as off scale costs are concerned, they are not automatic even where there is unreasonable behaviour. *Rizla* underlines that the correct question for determining costs is whether the conduct is so exceptional that an award on the standard scale is unreasonable. I recognise that one of the instances identified in *Rizla* as potentially giving rise to compensatory costs is where an action is brought without a bona fide belief that it is soundly based.

13. The basis of the strikeout application is set out in my earlier decision. In essence, Coswell relied on a prior Agreement and Addendum as between the parties, which it said prevented Dr Wolff from issuing proceedings in the UK challenging the validity of the marks. In the earlier decision I concluded that in pursuing its application to strike out Dr Wolff's claim it had not filed solid evidence to support its contention that the Agreement and Addendum extended to cover the UK and even if those documents could be construed as such, they had no ongoing effect as the contracts had been terminated some time before the proceedings were filed in the UK. I found that the timing of the application was such, so as to frustrate or delay the substantive

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<sup>3</sup> As he was then.

invalidation proceedings. I concluded that in bringing the application in the manner it did was without merit and therefore unreasonable.

14. In determining any off-scale costs award it is still necessary for me to award costs to only those that have been reasonably incurred. In coming to my decision, I have considered RJ's witness statement and the breakdown of costs submitted. I also note that Coswell have not filed any submissions challenging any of the costs claimed. I shall take these matters into account when making the costs award.

### **Observations on the costs breakdown**

15. At each stage of the proceedings the work has been undertaken by multiple fee earners to include several partners, a mid level associate, managing associate, junior associate and solicitor apprentice. No explanation has been given as to what work has been done by these additional personnel over and above the fee earner responsible for the task. I consider that this is duplicative and that only one fee earner shall be awarded costs for any given task. In particular, I note that 37.2 hours has been claimed for drafting the skeleton argument. Whilst I note that the document was detailed and would have required input from several fee earners with their respective expertise, the portion of the skeleton dealing with the strike out application was 14 pages in length. I consider that 37.2 hours is an excessive amount of time spent. I have reduced this figure accordingly by 18.8 hours.

16. In so far as LE's attendance at the hearing her involvement was solely in relation to the invalidation action and she made no submissions in relation to the strike out application. It was a matter for Stephenson Harwood as to how they chose to represent Dr Wolff at the hearing and I do not consider that it is reasonable to expect Coswell to pay the costs for two advocates' attendances. Further LE's attendance at the hearing is being fairly awarded in the on scale costs award in relation to the invalidation action dealt with separately below. LE's claim for 1.85 hours for attendance at the hearing shall, therefore, be discounted.

17. In relation to the time spent on drafting the cost breakdown I do not consider that it was necessary for a partner to undertake the preparatory work, as it was purely a matter of providing a breakdown of the time spent on any given task by collating the information from computer records. Furthermore, a claim of 7 hours appears excessive bearing in mind the length of the document and the straightforward nature of the task.

No explanation has been provided as to what work was completed by the Solicitor Apprentice as opposed to the Partner. I consider that an appropriate award is 4 hours, broken down as 3 hours to the solicitor apprentice for any preparatory work and 1 hour to the partner for preparing the witness statement.

18. For these reasons, whilst I consider that the work undertaken under the respective headings was necessary, I make the following award of costs off scale as being those costs I consider reasonably incurred:

1. Review of strike out application

Mid level associate (LE)	5 hours	£2,240.00
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2. Completing witness statement

Mid level associate (LE)	4.9 hours	£2,195.20
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3. Drafting skeleton argument

Managing Associate (LE)	12.1 hours	£6,437.20
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Associate (WS) competition law	2.3 hours	£ 982.10
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Partner (RJ)	4 hours	£2,688.00
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4. Preparation for hearing strike out only

Partner (RJ)	5.1 hours	£3,427.20
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Partner (MG) competition Law	0.5 hours	£ 255.50
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Associate (WS) competition law	2.1 hours	£ 896.70
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5. Hearing

Partner (RJ)	1.85 hours	£1,243.20
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6. Drafting costs statement

Solicitor Apprentice (SB)	3 hours	£ 945.00
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Partner (RJ)	1 hour	£ 672.00
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<b>Total</b>		<b>£21,982.10</b>
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## Costs in the Invalidation

19. In addition to the above figure, Dr Wolff is also entitled to a contribution towards its costs in the invalidation proceedings, in accordance with the scale as set out in TPN 2/2016. Following this guidance, I award costs as follows:

Preparing two statements of case and considering the other side's defences: <sup>4</sup>	£500
Preparing evidence and considering the other sides submissions:	£1,000
Preparing for and attending a hearing:	£1,000
Official fee (x2):	£400
<b>Total</b>	<b>£2,900</b>

20. Taking into account the costs awarded for both sets of proceedings, I order Coswell S.p.A. to pay Dr. Kurt Wolff GmbH & Co. KG the sum of £24,882.10. This sum to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

## Appeal Period

21. The appeal period, as set out by the Rules, in relation to both this decision on costs and the substantive decision issued on 6 September 2024 begins from the date of this supplementary decision.

**Dated this 12<sup>th</sup> day of November 2024**

**Leisa Davies**

**For the Registrar**

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<sup>4</sup> Whilst 2 separate sets of proceedings were issued, I note that there was considerable overlap in the statements of case filed in each and this has been reflected in the award of costs given.