



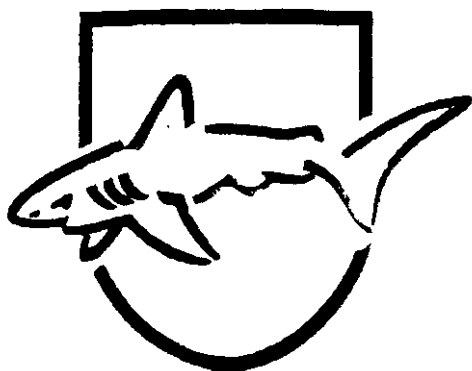
TRADE MARKS ACT 1995

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Costs in the matter of opposition by WOLTER JOOSSE on behalf of JOOSSE APPAREL PTY LTD to registration of trade mark applications 562440 and 562442, both in class 25 - SHARK DEVICES- filed in the name of GREAT WHITE SHARK ENTERPRISES INC.

Background

By decision dated 11 June 1999, a delegate of the Registrar of Trade Marks found that the above oppositions had entirely failed. The delegate, Mr Forno, directed that registration of these applications proceed. The marks, now registered, are as follows:



562440



562442

Mr Forno also ordered Wolter Joesse, on behalf of Joesse Apparel Pty Ltd, ("the opponent") to pay the costs of Great White Shark Enterprises Inc ("the applicant") in accordance with the Official scale.

An award of costs, in relation to any proceedings before the registrar, is authorised by s 221. Such an award, once made, is recoverable as a debt due to the successful party. Before that can happen, the Trade Marks Office must tax the costs.

There is a process for this, under regulation 21.13 "Determination of costs". A fee applies and the taxing is subject to review by the registrar. The taxed bill, after any such review, is then finally allowed and certified by an officer appointed for that purpose. Generally, however, once an award of costs is made in the course of deciding the proceeding itself, there is no need for such a taxing and the bill is settled between the parties without further recourse to the Trade Marks Office.

Presumably there is a dispute in the present matter because, on 30 July 1999, the solicitor for the applicant filed a bill of costs at the Trade Marks Office and paid the fee to have it taxed. Accordingly, the Taxing Officer, whose job is to tax these bills against the amounts in the regulations, assessed the applicant's bill. Before allowance and certification, the proposed taxed amount was copied, with an explanation, to the applicant's solicitors, Messrs Baker and McKenzie.

Dispute

In the present case, the applicant's solicitor, Mr Brett Doyle, has written to the Trade Marks Office, arguing that the taxing is in error. I have been assigned to review the taxing, under delegation from the registrar. Such a review, as I have said, is authorised by regulation 21.13.

Mr Doyle contends that his client is entitled to two amounts for "preparing cases for hearing", under item 9 in Schedule 8 of the regulations, one amount for each opposed trade mark.

The officer in charge of the Hearings Support unit said, in reply to this:

... in view of the fact that your client had to pay only one hearing fee for this matter to be decided (due to the similarity in the marks and that no evidence was forthcoming) the Taxing Officer is of the view that item 9 of Schedule 8 may be claimed for one amount only, that being \$360.

In reply, Mr Doyle again wrote. He asserted:

Despite the similarity of the marks, they are different and separate preparation was required for each. There was in fact preparation of two oppositions for hearing. There is no reference in relation to taxing of proceedings for awards to

be reduced for "similar" proceedings, nor is there any provision in the Act or Regulations that empowers the Registrar or the Taxing Officer to make such an assessment. On the basis of "similarity", taxed costs would only be allowed for one Notice of Opposition on the basis that they are very "similar" documents.

Mr Doyle went on to make the point that Schedule 8 sets out specific amounts for a party awarded costs. He submitted that, this being so, the registrar had no discretion in the amounts applicable "and certainly no warrant to conflate the two oppositions into one and reduce the items in Schedule 8". He concluded as follows:

The discretion which the Registrar has is whether or not to allow costs (Regulation 21.13(2)). However, once awarded, as was done by Mr Forno in this case, the Taxing Officer "must" tax the costs in accordance with the scale. As Mr Forno did not award costs in only one of the oppositions, I submit that it follows that the applicant is entitled to Item 9 of Schedule 8 in respect of each of the two oppositions.

Applicable principles:

As a starting point, the power to award costs comes from s 221:

The Registrar may award costs in respect of the matters, and in the amounts, provided for in the regulations".

Mr Forno's decision was to award costs in accordance with the scale. The amount of costs is thus consistent with, and to be determined by, the terms of regulation 21.13(2): "costs may only be awarded in respect of a matter set out in schedule 8". This in itself is much more limited than the comparable regulation under the 1955 legislation, where awards above the scale item were allowed for provided there was an opportunity for the parties to make representation about that aspect. This suggests that there is an intention, in the current regulations, either to restrict the scope for discretion or to restrict the magnitude of the costs and simplify the matters to be assessed in taxing them, or both.

Under the 1995 regulations, if costs are awarded, the amounts to be taxed are fixed, by reg 21.13(3), to be:

- a) "In the case of an item in Part 1 of schedule 8 of the regulations ("Costs") - the amount specified by that item."
- b) "In the case of a matter set out in a clause in Part 2 of Schedule 8 ("Expenses and allowances")- that clause."

The former of these, paragraph (a), includes amounts for, among other things, preparing a notice of opposition, or receiving and perusing it; for filing and serving evidence in support,

or receiving and perusing it, and so forth. It also includes the item that has given rise to the present dispute, an amount for "Preparation of cases for hearing". Paragraph (b) includes the fees paid for the proceeding and allows a successful party to recover the fee paid for requesting the registrar to hear the opposition.

Obviously, the award of costs is discretionary. The registrar may award them or - depending on the merits - s/he may not. I think that at least some of that discretion carries over into the subsequent review, post taxing, of the amounts. There would be little point in making the taxing subject to review otherwise. Equally clearly, however, in conducting this review of taxing, I do not have the discretion to reverse the award, or to tax all the amounts at zero. The Hearing Officer, Mr Forno, has determined that it is reasonable to expect the opponent to pay the applicant's costs, and it is now up to me to carry this through in detail. Within that limit, I have the authority, under regulation 21.13(4), to assess reasonable amounts where, in my opinion, there are factors that the scale cannot deal with appropriately.

Taking the above principles as a starting point, I must disagree with Mr Doyle's argument that I have neither discretion nor warrant to interfere with the taxing of these costs. Where the facts of the case warrant it, the discretion exists.

Decision

Before undertaking this review, I put the parties on notice of a relevant decision on the taxing of costs. This is in the matter of *Latrobe Brewing Company v Simmons* - 34 IPR 346. I also sent the opponent a copy of Mr Doyle's last letter. Finally, I invited the parties to make written submissions. Neither party, apparently, has anything more to add.

Latrobe v Simmons dealt with costs in multiple oppositions, but is not directly relevant to the issue of costs in preparing for a hearing. It dealt with the costs of a party in receiving and perusing material - a notice of opposition and supporting evidence - prepared and served by its adversary. In the decision, I noted a long-standing practice in the taxing of such costs. My decision was that, while correct in principle, the amount at which the costs were taxed was overly restricted and I established a new and fractionally more generous, from the recipient's point of view, practice for the taxing of such costs. Mr Doyle has not submitted that this practice is unwarranted or without authority.

I also noted that there have been cases where two parties, conducting two separate oppositions to a proposed registration, prepare, serve and rely on evidence that is identical, to the point where one party's evidence is a copy of the other's. In such cases, the Taxing Officer's practice is to reduce the amount payable for the preparation, as distinct from the receipt and perusal, of this stereotyped evidence. That practice is a matter of long-standing public record - see the *Patent Office Manual, Vol 3- Hearings, 14.7.5*.

I made the point in *Latrobe v Simmons*, however, that the costs that I was considering at that time were not costs in preparing and serving evidence. I did not have the benefit of submissions on specific elements that might go to the extent of the costs actually incurred by a party in obtaining, engrossing and serving evidence. I noted that this was something for the future. I expressed the following opinion:

... to say that evidence can always be prepared for three cases as cheaply as it can for one, as our present practice does, is very, very doubtful.

but I was careful to restrict my actual decision to the apportioning of costs in receiving and perusing notices of opposition, and receiving and perusing evidence, in multiple oppositions.

In *Latrobe v Simmons*, I said:

Likewise, each opposition requires time-clocks to be set up and monitored. This is so that the steps set out in the regulations are followed by each side and that its adversary knows they have been complied with. In the lack of any external evidence, I can only compare these costs to the work done, in the Trade Marks Office, to monitoring the time-clocks and procedures. Such administrative costs are not specifically mentioned in the scale, but I presume that the step-by-step elements in the scale carry, as part of each item, some notion that each step is underpinned by such processes.

The present case adds another dimension to that situation. In preparing a case for a hearing, the administrative component that I referred to in *Latrobe v Simmons* is not significant. Administration, of course, underpins the opposition process. But it does not, from what I can see from my own perspective, play a big part in the hearing, or in the preparation for this. The monitoring is done, the time-clocks all complied with - or not - and the documents themselves are all pieces of history. The major component in the preparation of cases for a hearing is the bringing together of established law with factual evidence: in short, the analytical exercise of preparing an argument. That argument may have many levels, be well-researched and have to contend with difficult issues. But when all is said and done, no matter how complex, it is still an argument, not an administrative or fact-gathering exercise.

Mr Doyle, on the other hand, relies on the letter and what he sees as the apparent intent of the regulation. He argues, in effect, that "Preparation of cases for hearing" is no more than a simple and unambiguous reference to preparation, in relation to each application, of an argument to be presented at a hearing.

I do not think that this is so in this particular case. The case prepared by Mr Doyle was for a single hearing involving two applications, a notice of opposition headed in relation to both, and no evidence in support at all. While the hearing took an hour, this was apparently due mostly to the extraneous arguments introduced by the opponent. Mr Doyle's client will be compensated, under the relevant cost item, for the length of the hearing. That is not now the bone of contention.

The marks at issue are both sought to be registered by one party. The marks themselves, if not substantially identical, are certainly so close that their difference played no role in the final outcome.

I note that there is something of an analogy with the position when an applicant seeks registration of a particular mark for more than one class of goods or services, and registration is opposed. Under the 1995 provisions, unlike those of 1955, a single application can cover more than one class of goods or services. The argument to be prepared and presented in relation to such a single application under the 1995 act, therefore, may need to be applied to a very wide range of goods and/or services, sold in different trades and by different traders. The evidence obtained from those traders may be relevant to some classes and not to others. Obviously, the circumstances of the various trades will need to be allowed for. If that is so, the argument to be presented could be enormously difficult to prepare - quite dwarfing the difficulties brought about by the differences between the two marks at issue in the present case. Varying complexity of the argument is thus part and parcel of preparation. Yet the scale makes no distinction about the number of potentially disparate classes of goods or services involved in the opposition. The regulations, in other words, seem to recognise that there will be varying levels of complexity between one case and the next, yet do not assume that these variations must or should be reflected in the taxed costs.

This drafting of the regulations presumably mirrors the practice of the Trade Marks Office under the 1955 act. For many years, the Taxing Officer has taken the view that, if oppositions to the registration of a trade mark in a number of classes are heard and decided as

one, the costs of preparing evidence, and of preparing for the hearing, should also be taken as one, notwithstanding the wide range of goods or services to be addressed.

In the present case, of course, there is only one class of goods involved, although there are two very closely related marks at issue. Mr Doyle, in preparing for the hearing, had to note this, as a starting point. However, the two trade marks were simply the raw factual inputs into a single argument. The same party was seeking to register both marks, and the issues to be assessed were as similar as the marks themselves. In my view, the initial intellectual input needed to recognise and allow for the minor difference in marks does not take the complexity of the matter outside the fairly wide bounds of preparation for a hearing.

In short, it seems to me that two oppositions such as this were certainly fit to argue, hear and decide in the manner they were, more or less as one. Given this, there is nothing that might be outside the ordinary scope of the words in the scale item in question. The wording, "preparation of cases for hearing", was apparently intended to cover just such a situation. Therefore I do not think that there is anything that I can or should use my discretion to redress.

Accordingly, I refuse to vary the proposed taxed amount. I direct that costs be allowed and certified as proposed by the Taxing Officer.

Terry Williams
Hearing Officer

29 March 2000