

Award of Costs and Taxation (HMD Circular No. 3/2017 dated 31 March 2017)

This Circular is issued to guide users on matters relating to the award of costs and taxation.

For the avoidance of doubt, this Circular supersedes Circulars 3/2011 (Part A) and 1/2015 and consolidates the content in those superseded circulars with new clarifications.

Similarly, while the Fourth Schedule below reflects the quantum which came into effect on 31 January 2017 (New Quantum), the Fourth Schedule to the principal Rules as in force immediately before 31 January 2017 (Old Quantum) continues to apply to any initiation action filed before 31 January 2017¹. The indicative costs set out in paragraph 7.4 below should therefore be adjusted accordingly for proceedings arising from any initiation action filed before 31 January 2017. Apart from this, for the avoidance of doubt, the same considerations below apply regardless of whether the New or Old Quantum applies. The sections referred to in this Circular are sections from the Trade Marks Act (Cap 332, 2005 Rev Ed) ("Act"), unless otherwise specified. The rules referred to in this Circular are rules from the Trade Marks Rules (Cap 332, 2008 Rev Ed) ("Rules").

A. Liability For Costs

1 Award of Costs

1.1 The Registrar has the discretion to award costs against any party to proceedings brought before him in relation to any matter and in the amounts provided for by the Rules². In general, the successful party in contested proceedings (whether substantive or interlocutory) is usually entitled to an award of costs. The parties have the opportunity to be heard in relation to an award on costs³. This is useful, especially if it is claimed that costs should not follow the event⁴.

1.2 It is also possible to seek a cost award where proceedings end before a determination on its merits. For example, where a trade mark applicant withdraws its application upon receipt of the notice of opposition, the opponent may seek, and the Registrar may allow, an award of costs against the applicant. In such a scenario, Rule 40 applies and the Registrar will consider⁵ whether proceedings might have been avoided if reasonable notice had been given by the opponent to the applicant before the notice of opposition was filed.

¹ Rule 17(16) of the Trade Marks (Amendment) Rules 2017

² Section 69 of the Act

³ Rule 72(2)

⁴ In *Ferrero S.P.A. v Dochirnie Pidpriemstvo "Kondyterska Korporatsiia "ROSHEN"* [2015] SGIPOS 14 there was no order as to costs (see [103]) even though the opposition failed on all grounds as the Registrar found that the Applicants' actions have caused unnecessary complications in the proceedings (see [102]).

⁵ The Registrar's consideration will be two fold, whether costs should be awarded to the opponent at all and if so, the quantum of the award.

2 Joint Initiating Parties

Where there are joint initiating parties to a successful action, any costs awarded to them are calculated as being for one party only. If the action is not successful, the default position is that the joint initiating parties are jointly and severally liable for costs.

B. Order For Costs

3 Agreement or Taxation

The usual order for costs in a full *inter partes* hearing is for party and party costs⁶ to be taxed if not agreed.

4 Parties' Agreement

Generally, many parties are able to agree on the quantum of costs without the need for taxation before the Registrar. This saves them time and further costs incurred in the taxation, which will not be fully recovered by the party awarded costs.

5 Interlocutory Proceedings

In interlocutory proceedings, the Registrar may, as a matter of practice, hear the parties on the award of costs as well as on the quantum thereof at the same time. This is generally more time- and cost-effective and parties can avail themselves of this modality, if they mutually agree not to adopt the formal procedure in Rule 73.

C. Quantum Of Costs

6 Party and Party Costs

6.1 "Party and party costs" refer to such costs as are necessary or proper for the attainment of justice or for enforcing or defending the rights of the party whose costs are being taxed. The party and party costs awarded under a taxation are all that are necessary or proper to enable the party to conduct the proceedings, and no more.

6.2 Further, Rule 75(2) provides that costs awarded in these proceedings are *not* intended to compensate the parties for the expense to which they may have been put.

7 Fourth Schedule

7.1 The Fourth Schedule in the Rules contains the Scale of Costs. Under Section 69, the Registrar retains the ultimate discretion in terms of the quantum to be awarded, subject to the Fourth Schedule. The Registrar does not have the discretion to depart from the Scale of Costs in the Fourth Schedule⁷.

⁶ See paragraph 6.1 below.

⁷ Rule 75(1)

7.2 This part of the Circular is intended to be an aid to parties in drafting a Bill of Costs (“BOC”) and understanding the Registrar’s decision-making process on the quantum of costs.

7.3 In an exceptional case, for example, where a party’s behaviour is unreasonable⁸, the Registrar may award costs that are higher than what would ordinarily have been awarded where the party had acted reasonably.

7.4 Below are some of the factors which the Registrar takes into account in deciding the quantum of costs to be awarded for items provided in the Scale of Costs.⁹

Fourth Schedule

Item	Matter	Amount
<i>INSTITUTION OF PROCEEDINGS</i>		
1	Drawing and filing notice of opposition, application for revocation of registration of a trade mark, application for declaration of invalidity of registration of a trade mark, or application for rectification of an entry in the register, all including a statement of grounds. <i>This is a standard item which will be allowed if work has been done.</i>	\$390
2	Drawing and filing counter-statement <i>This is a standard item which will be allowed if work has been done</i>	\$390
3	Preparing and filing evidence for opposition and revocation, invalidation or rectification proceedings <i>(i) Consolidation of proceedings</i> <i>If the proceedings were consolidated before any evidence had been filed, the cost would normally be awarded for each stage of the evidence as if it was a single set of proceedings. However, if the consolidation had been requested after evidence had been filed, costs would normally be awarded for each set of proceedings separately up to the stage when consolidation was requested, and as though they were one set of proceedings thereafter.</i> <i>(ii) Similar / identical marks for several classes of goods / services</i>	\$390-\$2,080 per statutory declaration

⁸ One example would be any delaying tactics.

⁹ The text in standard font is reproduced from the *Fourth Schedule*, while the text in *italics* sets out the Registrar’s usual approach when deciding on the quantum of costs to be awarded.

	<p><i>In a situation where the actions relate to similar / identical marks for several classes of goods / services, in reality the evidence filed in relation to each class is often similar.</i></p> <p><i>In such cases, full costs will only be awarded to one set of evidence relating to one class.</i></p> <p><i>For the subsequent evidence in the other classes, due consideration must be given to the substantiality of the similarity of the evidence and the costs awarded will be reduced accordingly. In a case where the evidence is more than 90% similar, then the minimum costs of \$390 may be considered to be an appropriate quantum for each statutory declaration respectively in relation to the other classes.</i></p> <p><i>The number of pages containing statements made by the deponents and the amount and the relevance of the exhibits are factors to be considered.</i></p> <ul style="list-style-type: none"> • <i>Limited evidence of use in the statutory declaration (“SD”): \$390 to \$700</i> • <i>Some evidence of use in the SD: \$700 to \$1600</i> • <i>Extensive evidence of use, complex facts in the SD: \$1600 to \$2080</i> 		
4	<p>Reviewing the reply to any document referred to in items 1, 2 and 3</p> <p><i>In a situation where:</i></p> <ul style="list-style-type: none"> (i) <i>there is consolidation of proceedings;</i> (ii) <i>the actions relate to similar / identical marks for several classes of goods / services such that the documents filed in relation to each class is highly similar</i> <p><i>the considerations set out in item 3 will apply accordingly.</i></p> <p><i>The number and complexity of issues raised in fact and law are relevant factors to be considered.</i></p> <ul style="list-style-type: none"> • <i>1 or 2 grounds raised: \$195 to \$500</i> • <i>3 or more grounds raised: \$500 to \$800</i> 		\$195-\$1,040 per document

	<ul style="list-style-type: none"> • <i>Complex issues of fact and law: \$800 to \$1040</i> 		
INTERLOCUTORY PROCEEDINGS, ETC.			
5	Preparing for all interlocutory proceedings ¹⁰ , pre-hearing reviews and case management conferences		\$65-\$650 per proceeding, review or conference
	<i>Factors to be considered are complexity of issues in fact and law, length of written submissions and amount of authorities cited if any.</i> <ul style="list-style-type: none"> • <i>Simple procedural matters: \$65 to \$200</i> • <i>Written submissions with no authorities cited (interlocutory proceedings): \$200 to \$400</i> • <i>Written submissions & authorities (interlocutory proceedings): \$400 to \$650</i> 		
6	Attending all interlocutory proceedings, pre-hearing reviews and case management conferences		\$65-\$650 per proceeding, review or conference
	<i>Factors to be considered are complexity of issues in fact and law and time taken for hearing.</i> <ul style="list-style-type: none"> • <i>1 hour or less: \$65 to \$200</i> • <i>Half day hearing: \$200 to \$500</i> • <i>Full day hearing: \$500 to \$650</i> 		
FULL HEARINGS			
7	Preparing for hearing		\$650-\$2,600
	<i>Factors to be considered are complexity of issues in fact and law, length of written submissions and amount of authorities cited if any.</i> <ul style="list-style-type: none"> • <i>1 or 2 grounds raised: \$650 to \$1300</i> • <i>3 or more grounds raised: \$1000 to \$2000</i> • <i>Many complex issues of fact and law: \$2000 to \$2600</i> 		
8	Attendance at hearing		\$260-\$1,040
	<i>Factors to be considered are complexity of issues in fact and law, time taken for hearing.</i> <ul style="list-style-type: none"> • <i>Half day hearing: \$260 to \$700</i> • <i>Full day hearing: \$700 to \$1040</i> 		
TAXATION			
10	Drawing bill of costs		

¹⁰ See Part 5.

	<i>Amount allowed according to the number of folios in bill of costs¹²</i>		\$6.50 per folio ¹¹
11	Attending taxation and obtaining the Registrar's certificate or order		\$130-\$390
	<p><i>The factor to be considered for attending taxation is the time taken for the taxation proceeding.</i></p> <ul style="list-style-type: none"> • 1 hour or less: \$130 to \$200 • More than 1 hour: \$200 to \$390 <p><i>For obtaining the Registrar's certificate or order in "paper" taxations (where there is no attendance): Fixed quantum of \$130 for obtaining the Registrar's certificate or order</i></p>		

8 Agreement on Specific Items

Where parties have agreed on a particular cost item in the BOC, the Registrar will not intervene in relation to that item and will award the quantum as agreed (within the maximum amount under the Scale of Costs). In the event that parties disagree in relation to a particular item, the Registrar will award an amount for the item having regard to the Fourth Schedule as well as to the particular circumstances of the case.

9 Unrepresented Parties

9.1 The quantum of costs awarded to an unrepresented party will be 50% of the amounts indicated in paragraph 7 above, or the minimum amount for the relevant item, whichever is higher. This ensures that the unrepresented party is not overcompensated for the cost of the proceedings.

9.2 For example, where the Registrar would have been minded to award \$390 for a represented applicant's review of evidence by the opponent (item 4 of the Fourth Schedule), applying the principle, only \$195 (i.e. 50% of \$390) will be awarded to an unrepresented applicant. However, in the situation where the Registrar is only minded to award \$350, instead of awarding \$175 (i.e. 50% of \$350), the minimum amount of \$195 in the range will apply and be awarded.

9.3 This "50% discount" does not apply to disbursements. Thus, an unrepresented party is able to claim for disbursement items in full, subject to the Registrar's practices in relation to such claims.

D. **Disbursements**

10 Agreement on Specific Items

¹² Where a party has filed the form and has also included an attachment, the number of pages for the attachment will only be taken into account where the content is not repetitious and further elaborates on the BOC.

¹¹ Defined as 100 words, each figure being counted as one word, in Rule 2(1)

Where parties have agreed on a particular disbursement item, the Registrar will not intervene in relation to that item and will award the quantum as agreed between the parties.

11 Reasonableness and Proportionality

11.1 In the event that parties disagree in relation to a particular item claimed, the Registrar will apply the twin principles of reasonableness and proportionality in determining the quantum of disbursements allowed.

11.2 Generally, common disbursements (e.g. taxi fares, photocopying) will be awarded. The filing fees for Form HC3 will be allowed where the opposite party agrees. The Registrar is mindful that Form HC3 is often filed to maintain the pendency of proceedings while parties negotiate. Because negotiations are generally on a “without prejudice” basis, one party should generally not bear the costs of extensions of time of another party.

12 Survey Evidence Disbursement

In recognising disbursements for survey evidence, the Registrar will apply a test based on the relevance, reasonableness and proportionality of the evidence. To illustrate, if the survey or certain portions thereof is found not to be particularly relevant, then the Registrar may disallow costs, or if costs are allowed, will reduce the reimbursement of the costs for the survey carried out by the winning party.