

**Application For Costs
In Trade Mark Application Nos. T02/03921 I & T02/03922 G
By I-Net Singapore Pte Ltd**

And

**Objection
By Computing Technology Industry Association Inc**

*Before P Arul Selvamalar, Principal Assistant Registrar Of Trade Marks
30 August 2006*

Interlocutory hearing – Entitlement to costs – whether Opponents entitled to cost of preparing and filing Notice of Opposition and evidence – Trade Marks (Amendment) Rules 2005, Rule 72, 73 & 75

Facts

The Applicants, I Net Singapore Pte Ltd filed 2 trade mark applications T02/03921 I and T02/03922 G which were accepted and advertised before registration. The Opponents filed oppositions to the registration of both applications and the Applicants filed Counter Statements in response to the Notices of Opposition. The Opponents filed evidence in support of the Oppositions whereas the Applicants did not file evidence in support of their applications. The applications were deemed withdrawn in accordance with rule 33(3) of the Trade Mark Rules on 26 Jan 2006 and the Opponents applied for costs on 22 March 2006, more than 3 weeks late. The Opponents had 1 month from the date of the Registrar's letter to apply for costs. On 28 June 2006 an interlocutory hearing was held and it was decided that the applications for costs will be allowed with the grant of extensions of time to the Opponents to apply for costs late. The Opponents then filed their Bill of Costs and the Applicants objected to the Bill on the basis that the Opponents were not entitled to costs.

The Applicants argued that as the deadlines in the Trade Marks Rules for the filing of the Applicants' Counter Statements in response to the Opponents' Notices of Oppositions were non-extendable, which is beyond the control of the Applicants, it is inequitable for the Applicants to have to pay the Opponents costs for defending their applications. They also argued that there cannot be a presumption that the Opponents are entitled to costs simply because they had to incur the cost of instituting an opposition proceeding and because the Applicants did not withdraw their applications.

The Applicants submitted that there may be Opponents who make frivolous and vexatious claims, who may have deep pockets or who adopt aggressive policies in policing their marks and therefore the opposition process may be abused. The Applicants also contended that the incurring of costs is to be expected in the protection of a party's trade marks rights and enforcement thereof.

Decision

The trade mark opposition procedure commences with the advertisement of marks accepted for registration in the Trade Mark Journal, so that any party (an opponent), who wishes to file an opposition to the mark being registered, may do so. The time given to the opponent to file the Opposition is 2 months from the date of advertisement which may be extended for another period of 2 months but no more. In this case, the marks were advertised on 12 Sep 03 and 9 Jan 04 and the Opponents sought extensions of time and filed their Oppositions on 9 Jan 04 and 7 May 04 respectively.

The next step is for the applicant to file his defence to the opposition by filing a Counter Statement within 2 months, but this time period may also be extended by another 2 months but no more. In this case, the Applicants also sought extensions of time to file their Counter Statements, which were granted and they filed their Counter Statements on 3 May 2004 and 7 Sep 2004.

Thereafter the Rules stipulate that the opponent should file his evidence in support of the Opposition otherwise the opposition will be deemed withdrawn. In this case, the Opponents sought extensions of time to file their evidence in support of their oppositions, which were granted and they filed their evidence on 19 Jan 05 and 30 May 2005.

Thereafter the Rules stipulate that the applicant must file evidence in support of his application, otherwise the application will be deemed withdrawn. IN this case, the Applicants sought extensions of time to file their evidence

but they did not file their evidence within the time given to them, neither did they apply for further extensions of time. Therefore their applications were deemed withdrawn.

At the commencement of the opposition procedure, after a mark is advertised, opponents usually write to applicants seeking a voluntary withdrawal the application before filing a Notice of Opposition. The Opponents in this case wrote to the Applicants to withdraw the applications. Therefore the Applicants have had notice, from before the date the Notice of Opposition was due in the first matter, 12 Nov 03, that the Opponent intended to file an opposition to one of their applications. Similarly they have also had notice from before the Notice of Opposition was due in the second matter 9 Mar 04 that the Opponent intended to file an opposition to their other application.

The Applicants argued that it is unfair that the Applicants have to pay the Opponents costs in filing the Notices of Opposition as the Opponents have a deadline which is not extendable. However as stated above, the timeline provided in the rules is 2 months from the date of advertisement. By the end of the 2 months, Opponents had asked the Applicants to voluntarily withdraw the applications. If that was too short a time period for the Applicants to consider whether to defend the intended oppositions, the Opponents sought extensions of time, which the Applicants had notice of, and they were granted another 2 months to file their oppositions. Therefore from the first 2 month deadline, the Applicants had another 2 months to consider whether to defend the intended oppositions. At any point in time in these 2 months, they could have written in to withdraw the applications. As long as it is before the Opponents filed their oppositions, the Applicants would not have been liable to pay the Opponents cost of filing the oppositions.

In fact, in this case, it is not just the issue of the cost of filing of the Notices of Oppositions. The Applicants went on to file their Counter Statements after seeking extensions of time to do so. Therefore from the time the oppositions were filed, to the filing of the Counter Statements in each matter the Applicants had another 4 months in each matter to consider whether to defend their applications. At any point of time in these 4 months, if the Applicants had written to the Registrar to withdraw the applications, as long as it was before they filed the Counter Statements, they would not have been liable for the cost of the Opponents reviewing the Applicants' Counter Statements. However they did not.

After the filing of the Counter Statements by the Applicants the Opponents asked for extensions of time to file their evidence and were given 8 months to do so in each of the 2 cases. If the Applicants had written to the Registrar at any point of time in these 8 months to withdraw their applications they would not have been liable for the Opponents cost in preparing and filing their evidence. However they did not.

I do not think that having allowed the oppositions to proceed to the stage of filing evidence, the Applicants can succeed in arguing that it is unfair that the Applicants have to bear the costs of defending their applications. From the moment an applicant has notice of an intended opposition, he has to consider whether to incur the cost of defending his application and if he decides to allow his application to be withdrawn, he may be liable for the cost of the party who has proceeded to file the pleadings and evidence.

The power of the Registrar to award costs to either party in an opposition proceeding whether after the full hearing of the opposition or at any stage where the proceedings come to an end, is a discretionary power. And the arguments that the Applicants have made in this case, that the process may be abused by an opponent who has deep pockets, who may file frivolous and vexatious claims or who may adopt an aggressive policy of enforcing his rights are all considerations that the Registrar must take into account in deciding whether to award an opponent the costs that he seeks. However the Applicants in this case are not arguing that the Opponents in this case have deep pockets and have filed a frivolous and vexatious claims and that they have an aggressive enforcement policy. Their arguments was that the opposition process may be abused by such opponents. Therefore there is no evidence that the Registrar may rely on in deciding whether the costs sought by the Opponents should be denied.

The Opponents are therefore awarded as costs in the first opposition:

T02/03921

Filing Notice of Opposition	\$300
Reviewing the Counter Statement	\$150
Filing of the Statutory Declaration	\$600
Drawing Bill of Costs	\$10
Attending taxation hearing	\$100
Filing fees for Notice of Opposition	\$340
Disbursements	\$287

Total **\$1787**

The Opponents are therefore awarded as costs in the first opposition:

T02/03922	
Filing Notice of Opposition	\$300
Reviewing the Counter Statement	\$150
Filing of the Statutory Declaration	\$300
Drawing Bill of Costs	\$10
Attending taxation hearing	\$100
Filing fees for Notice of Opposition	\$340
Disbursements	\$287
Total	\$1487

The Opponents are therefore awarded a total sum of \$3274 to be paid by the Applicants to the Opponents within 2 months of the date of this decision.

The Registrar has noted that the Opponents sought costs applying the Scale of Costs in the Fourth Schedule of the Trade Marks Rules. However those Rules were amended by the Trade Mark (Amendment) Rules 2005 and the Registrar has applied the new Scale which came into effect on 1 January 2006. This is because when Rules are amended, they take immediate effect unless there is a transitional provision in the Amendment Rules under which the old Rules may still apply. There is no transitional provision in the Amendment Rules 2005 which preserve the old Rule relating to the Scale of Costs.

Legislation referred to:

- Trade Marks (Amendment) Rules 2005, Rule 73

Representation:

- Ms Francine Tan (Lloyd Wise) for the Applicants
- Ms Theresa O'Connor (Infinitus Law Corporation) for the Opponents