

TRADE MARKS ACT 1994

**IN THE MATTER OF THE APPLICATION
BY TOWER SOFTWARE ENGINEERING PTY
TO REVOKE REGISTRATION NO. 1270050
STANDING IN THE NAME OF JOHN A SEIDEN**

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On 24 March 1999 I refused to deem the above application for revocation abandoned and I am now asked for my written statement of reasons for doing so.

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Background

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On 29 March 1999, Tower Software Engineering Pty of Australia filed form TM26, an application for the revocation of registration no. 1270050, in respect of the trade mark TRIM, standing in the name of Mr John A Seiden. The grounds of the application were under the provisions of Section 46 of the Trade Marks Act 1994 (the non-use provisions). On 13 April 1999 the form TM26 and the Statement of Grounds upon which the application was based was sent to the registered proprietor at the address shown on the register. The registered proprietor's form TM8 and Counterstatement together with a Statutory Declaration, all dated 10 July 1999, were received on 12 July 1999. Both the Counterstatement and the Statutory Declaration by the registered proprietor Mr John A Seiden sought security for costs on the grounds that the applicant for revocation was an Australian company.

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The form TM8 and Counterstatement, together with the Statutory Declaration of Mr John A Seiden, were sent to Withers & Rogers, the applicant's trade mark attorneys on 19 July 1999. On 28 July 1999 the Trade Marks Registry wrote to the registered proprietor stating that the parties should seek to come to an agreement with regard to security for costs and only if agreement could not be reached should the matter be referred again to the Trade Marks Registry. On 9 August 1999 Mr John A Seiden wrote to the Trade Marks Registry stating that he had written to the applicant for revocation but had had no reply despite giving a deadline for a response of 6 August 1999. He therefore asked that the application for revocation be dismissed. A copy of the registered proprietor's letter of 9 August was sent on 26 August 1999 by the Trade Marks Registry to Withers & Rogers, the applicant for revocations trade mark attorneys. They were given 14 days within which to comment on the points raised in Mr Seiden's letter. They responded to this letter by writing to Mr Seiden, in a letter dated 8 September 1999, stating that the applicant for revocation had a subsidiary company in the United Kingdom called Tower Software (UK) Limited and in the circumstances security for costs was not warranted. In a separate letter to the Trade Marks Registry Withers & Rogers enclosed a copy of their letter to Mr Seiden stating also that it was clear that the registered proprietor was not aware of the contents of the Trade Marks Act 1994 and the Rules associated with it.

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On 13 September 1999 the registered proprietor wrote to the Trade Marks Registry casting doubt upon the status of the applicant's subsidiary in the United Kingdom, particularly as they were not a party to the proceedings. In the event, the Trade Marks Registry wrote to Withers & Rogers on 29 September 1999 stating that, under the provisions of Section 68(3) of the Trade Marks Act 1994 and Rule 55 of the Trade Marks Rules 1994, the Registrar required Tower Software Engineering Pty Limited, the applicant for revocation, to provide security for costs in the sum of £900 to the registered proprietor in respect of these proceedings. They were told that if they wished to contest this order they had one month from the date of receipt of the letter to do so or to request a hearing; if, within that time scale, the security for costs was not provided or a hearing had not been requested then, under the provisions of Rule 55(2), they were told, the application for revocation may be deemed to be withdrawn.

On 11 October 1999, under cover of a letter dated 8 October 1999, Withers & Rogers, filed evidence in support of the application and on 25 October 1999, they wrote to the Trade Marks Registry stating that the applicant for revocation had agreed to provide security for costs in the sum of £900 and had written to the registered proprietor to agree the most appropriate way for providing the security for costs. On 2 November the registered proprietor wrote to the Trade Marks Registry, with a copy of a letter from him of the same date to Withers & Rogers, in which he accepted the latter's recommendation that the sum of money forming the security for costs should be held by the Trade Marks Registry. However, it would appear that it is not the Trade Marks Registry's practice to hold such sums in relation to trade mark disputes but, neither of the parties to this dispute were informed of this fact by the Trade Marks Registry until the registered proprietor telephoned the Trade Marks Registry on 23 November 1999 to ask whether Withers & Rogers had complied with the Order for security of costs and lodged £900 with the Trade Marks Registry. Subsequently, the registered proprietor, Mr John A Seiden wrote to the Trade Marks Registry on 23 November (see Annex A), and a response was sent to Mr Seiden by the Trade Marks Registry on 2 December (this dealt with other matters also) and insofar as the security for costs issue is concerned it stated that:

Security for Costs

In Withers & Rogers letter to the Registrar dated 25 October 1999 they informed her that they would arrange with you "the most appropriate way for providing security for costs". From the comments in your letters it appears that they had proposed that the Registrar should keep the funds. I informed you that it is not the Registrar's usual practice to hold such funds and that this is made clear in the Trade Marks Registry Work Manual at Chapter 15 which relates to Law Section practice and procedures. I have copied the pages from the work manual relating to Security for Costs for you although the complete Chapter 15 is available for public inspection via the Patent Office web site (www.patent.gov.uk).

This action has been brought before the Trade Marks Registry which, with respect, has its own Rules and procedures to follow. In *St Trudo* [1995 RPC 370] it was held that the Rules of the Supreme Court (which are now the Civil Procedure Rules) do not normally have a role to play before the Trade Marks Registry. The Registrar, however, has the inherent jurisdiction to refer to some of the authority of the higher

courts **where its Rules and procedures are silent**. This is not the case with regards to Security for Costs. Not only does the Registrar have specific Rules allowing the Registrar to make such a requirement, as noted in the Work Manual extract supplied we have our own procedures by which we would normally seek to implement that

5 Rule. Therefore, whether you are correct in how such a procedure would operate in the Courts, the procedure followed within the Registry is not the same. You should note that the Registrar while not being bound by Court procedure will follow any relevant precedents in cases decided before the Court when considering whether to award Security for Costs. I hope that this explains the situation more clearly for you.

10 The Appointed Person held in the LIQUID FORCE case that it is in the interests of justice that *prima facie* valid actions should - where appropriate and despite apparent failures to meet technical requirements - be allowed to be decided upon the substantive issues of the case. Therefore and despite the fact that the Registrar does not usually

15 hold such funds, the Registrar has considered all the circumstances of this action and is prepared to hold such funds pending the outcome of the action. The parties should note that this action is very much the exception and is done solely to resolve this particular dispute.

20 In addition to the Customer Service Standards set out for the Patent Office and the section from Chapter 15 dealing with security for costs, I enclose a copy of Rule 55 from the Trade Marks Rules which outline the Registrar's vires in this issue. You will note that the decision to deem an application abandoned if the other side fail to pay the security is one which is discretionary and therefore the Registrar has decided to give

25 the applicant one final chance to lay this issue to rest.

Therefore the Registrar will allow a final period in which the Applicant for Revocation shall pay the Security for Costs into the Registry. **That fee must be paid into the account on or before 17 December 1999** - failure to pay the order will result in the Registrar deeming the action abandoned in accordance with Rule 55(2) of the Trade

30 Marks Rules 1994 (as amended) by the Trade Mark Amendment Rules 1998.

If either party disagree with the decisions reached by the Registrar on this case, they must request an Interlocutory Hearing on or before **17 December 1999**.

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That letter was copied to Withers & Rogers who spoke to the Trade Marks Registry on 3 December 1999 about the arrangements for the payment of security for costs in this case. On 6 December the Trade Marks Registry wrote to Withers & Rogers, following their phone call, stating that they had two options, both of which would enable sums of money to be paid to the

40 Patent Office as security for costs in this case. The first was an individual cheque from the Company, the second option being a letter authorising the debit of the sum of £900 from their deposit account held with the Patent Office. On 8 December Withers & Rogers wrote to the Trade Marks Registry enclosing an individual Withers & Rogers cheque made payable to the Patent Office, for the sum of £900 being security for costs in relation to these proceedings.

45 On the same date the registered proprietor wrote to the Trade Mark Registry. His letter is attached at Annex B. He was advised to seek a hearing on the matter of the late payment of the security of costs if he continued to be unhappy. This he did and the matter came to be

heard before me on 24 March 2000. Mr Seiden appeared in person. The applicants for revocation were not present or represented, but provided written comments.

5 Mr John A Seiden stated at the Hearing that he had not, prior to the hearing, read the Trade
Marks Act 1994 or the Trade Marks Rules 1994 (as amended). He had in his possession a
copy of an extract from the Trade Marks Registry's Work Manual, in particular those
10 paragraphs dealing with security for costs. On the basis of that information he submitted that
the Registrar had exceeded her powers in allowing the applicant for revocation to provide the
security for costs so long after his initial request. In particular, he referred to the Work
Manual which stated that a party should only have 14 days for comment in response to a
15 request for security for costs. In this case, Withers & Rogers on behalf of the applicant for
revocation had had over five months in which to respond. The Registrar and the Trade Marks
Registry therefore had no power to allow a party to take so long to resolve matters. In his
view "the 14 day Rule" (which I took to mean the 14 days set out in the Trade Marks Manual
for a party to comment on any request from the other side for security of costs) applied in this
case and it had clearly been breached.

Decision

20 There was no argument before me that the security for costs should not have been provided
under the appropriate provisions of the Act and Rules in this case. Therefore, the only issue
on which I need to rule is whether the security for costs was or was not provided in the
timescale directed by the Trade Marks Registry and if it was not, whether, as a result, the
25 application for revocation should be deemed abandoned. The appropriate section and rule is
Section 68 of the Trade Marks Act 1994 and Rule 55 which I will set out below.

68. - (1) Provision may be made by rules empowering the registrar, in any proceedings
before him under this Act -

30 (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.

(2) Any such order of the registrar may be enforced -

35 (a) in England and Wales or Northern Ireland, in the same way as an order of
the High Court;

(b) in Scotland, in the same way as a decree for expenses granted by the Court
of Session.

40 (3) Provision may be made by rules empowering the registrar, in such cases as may be
prescribed, to require a party to proceedings before him to give security for costs, in
relation to those proceedings or to proceedings on appeal, and as to the consequences
if security is not given.

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Rule 55. - (1) The registrar may require any person who is a party in any proceedings before him under the Act or these Rules to give security for costs in relation to those proceedings; and he may require security for the costs of any appeal from his decision.

5 (2) In default of such security being given, the registrar, in the case of the proceedings before him, or , in the case of an appeal, the person appointed under section 76 may treat the party in default as having withdrawn his application, opposition, objection or intervention, as the case may be.

10 The first point that I note is that neither the Act or the Rule requires a party to provide security for costs within any statutorily defined or prescribed timescale. It must therefore, it seems to me, be a matter of practice and procedure for the staff at the Trade Marks Registry to set a particular timescale. Mr Seiden however, has referred to a 14 day rule and an examination of that part of the Trade Marks Registry's Work Manual dealing with security for costs, suggests that he may have mis-interpreted the position. That part of the Trade Marks Registry's Work Manual at Chapter 15 which deals with security for costs is attached at Annex C. It states that a request for security for costs by one party must be forwarded by the Trade Marks Registry to the other party to the dispute and that they should be given 14 days to comment upon that request. That is the only 14 day period that I can see has any part to play in this matter. In this case, the applicant for revocation's agent's Wither & Rogers, were asked to comment on the request for security for costs within 14 days of the Trade Marks Registry's letter of 26 August 1999. They did so, in their letter to the Trade Marks Registry dated 8 September 1999. Therefore, they met the 14 day requirement at that time.

25 Subsequently, and in line with the draft letter set out in Annex C, the Trade Marks Registry directed Withers & Rogers to pay as security for costs the sum of £900 within one month of the date of the letter so directing. That letter was dated 29 September 1999. In their letter of 25 October 1999 Withers & Rogers wrote to the Trade Marks Registry stating that they agreed to provide this security for costs and had written to the registered proprietor to agree the most appropriate way for the sum to be held. The registered proprietor confirmed this to the Trade Marks Registry in a letter dated 2 November 1999.

35 It is unfortunate that the staff in the Trade Marks Registry did not pick up at that time that what was being proposed was that the Patent Office should hold this sum of £900 as security for costs in these proceedings which as stated earlier is not the Patent Offices normal practice so to do. It only became apparent when the registered proprietor spoke on the telephone to the staff of the Trade Marks Registry on 23 November that matters were going awry. I am given no information as to why Withers & Rogers having agreed to provide the security for costs and having agreed that this should be lodged with the Patent Office did not approach the Patent Office to make appropriate arrangements. It might then have emerged some weeks earlier than it did that it is not the Patent Office's normal practice to hold monies in trade marks disputes. Be that as it may, when the matter was brought to the attention of Withers & Rogers by telephone on 3 December 1999 and by confirmatory letter on 6 December 1999, after arrangements had been made for the Patent Office to hold the monies in this case, the sum of £900 was paid over to the Patent Office as security for costs on 8 December 1999.

In all of the circumstances, it seems to me that the firm of Withers & Rogers, on behalf of the applicant for revocation can be criticised for not pursuing the payment of the security for costs with a degree more diligence in the period, having agreed to do so. But the sum of money was eventually paid over after the Trade Marks Registry had got involved in the arrangements for holding the money.

It does not seem to me, that Withers & Rogers, on behalf of the applicant for revocation, have deliberately sought to thwart or disadvantage the registered proprietor. It might have been expected that they should have known that it was not the Trade Marks Registry's practice to hold security for costs monies in trade marks disputes. However, the provision of security for costs is a relatively rare occurrence in trade marks disputes such that some lack of awareness, even by professional representatives must be tolerated. But the point at issue is whether the registered proprietor has been harmed or disadvantaged by their action or in some way inconvenienced to the point where it would be right to hold that because the monies were not paid as directed within the one month stipulated by the Trade Marks Registry the application should be deemed abandoned under the provisions of Rule 55(2). In my view it would not. There has been no disadvantage or inconvenience such that the determination of this case should not be on the basis of the substantive issue rather than a technical one. I was satisfied that the direction for security for costs in this case had been met, the cheque for £900 having been paid into the Patent Office on 8 December 1999 and accordingly I refused to deem the application abandoned. The proceedings continue and the registered proprietor was advised that he had three months from the date of the hearing in which to file his evidence in support of his registration.

Dated this 4 day of May 2000

**M KNIGHT
For the Registrar
The Comptroller General**

ANNEX A

TRIMtm
TECHNOLOGIES

29 THETFORD ROAD
NEW MALDEN
SURREY KT3 5DP

Tel: 0181 715 7935
Fax: 0181 336 1532
E-Mail: trim@compuserve.com

Mr Alaister East
Law Section
Trade Mark Registry
Cardiff Road
Newport NP9 1RH

23rd November 1999

By fax: 01633 811175
Tel: 01633 811031



Dear Mr East ,

Re: REV10660/LAW/SW Trademark "TRIM"

1. I write to confirm our telephone conversation today concerning your letter dated 29/09/99 addressed to Withers & Rogers (WR).
2. I spoke with Mr Nathan Connors. When I had to ring back he confirmed that WR had not complied with your letter concerning security of costs: ie. within the 30 days allowed by you WR had not applied for a hearing nor provided the £900 security of costs.
3. Following which I rang you. I wanted to find out about the procedure concerning the revocation application withdrawal in accordance with your letter.
4. I was surprised to learn that you were going to give the applicant further time. Especially as I had requested security of costs from the applicant also through you as long ago as 10/07/99. I also requested the applicant for security of costs: I did this because you told me to as the PO prefers that the two applicants sought out matters between themselves.
5. Unfortunately, it was not until 29/10/99 that the PO actually wrote to WR concerning security of costs. Therefore already allowing WR in excess of three months from 10/07/99. Allowing WR yet further time in addition to 30 days seems unfair and some may say not in accordance with Supreme Court practice, if I understand it correctly.
6. I also sent you copy of my response to WR's letter dated 25/10/99 attached. In this letter WR recommend that the Registrar holds the £900 which I accepted and confirmed to you on 2/11/99 and which you said you have received.
7. I then learn about your 5 weeks to reply rule. This confused me as I was not sure whether you would TRY to reply within 5 weeks (ie. 5 weeks calculated from the 30 days after 29/10/99) that you would grant WR more time in addition to the 30 days. In other words WR would get a letter from you 5 weeks after 29/11/99. In other words by 9/01/2000 you would write to WR that you extend their time by say two weeks from 29/11/99.
8. Unbeknown to me WR had also written to you directly concerning the security of costs. It seems in somewhat different form from the letter they sent to me and perhaps some may consider as misleading.
9. Not too dissimilar from the time when they asserted that they have offices in the UK and turned out to the contrary.
10. Are they abusing your system and procedures?. For example in their letter of 25/10/99 they refer to my "positive response" dated 10/07/99. However I originally indicated that I am willing to discuss this matter as early as 5/02/99 which I also followed up with phone

- calls which were not returned. I wonder if this was relayed by WR to their clients?
11. It seems that you are unable to hold the security of costs. However as I had accepted WR's recommendation that the Registrar holds the security of costs WR ought to have made payments to you. I assumed that as you knew about this offer that you would take action to collect the security of costs or at least inform me.
 12. Today because I called you confirmed that WR have made no attempts to contact you nor attempted to make payments. Even though the 30 days had expired.
 13. If as Patent Attorneys they did not know that the Registrar would not hold the £900 security of costs WR ought to have made payment to you within the 30 days.
 14. It is hard to believe however, that as established Patent Attorneys they did not know this and therefore they ought not to have made the recommendation in the first place.
 15. They ought not have sent a letter to you which did not include the recommendation they ought not have made. They could and ought to have sent you a copy of the letter they sent to me. As they have copied you in the past.
 16. AND why did they not send me a copy of the letter sent to you?
 17. You also agreed that WR had not complied with the contents your letter dated 29/10/99.
 18. I requested that the revocation be withdrawn as among other things I do not understand why WR ought to be granted even more time: I had requested security of costs as long ago as 10/07/99.
 19. May I respectfully request that the application be withdrawn forthwith in accordance with your letter of 29/10/99 or can the matter be transferred forthwith to the Supreme Court.
 20. You kindly said that you would review this matter on your return to your office on 24/11/99. I would be most grateful if you would action the above or let me know how long it would take.

Your sincerely,

John A. Seiden

John A Seiden

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10/12/1999 14:40:48

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ANNEX B

TRIMtm TECHNOLOGIES

29 THETFORD ROAD
NEW MALDEN
SURREY KT3 5DP

Tel: 0181 715 7935
Fax: 0181 336 1532
E-Mail: trim@compuserve.com

Mr Alaister East
Law Section
Trade Mark Registry
Cardiff Road
Newport NP9 1RH

8th December 1999

By fax: 01633 811175
Tel: 01633 811031



Dear Mr East ,

Re: REV [REDACTED] /LAW/SW Trademark "TRIM"

1. Thank you for your letters of 3/12/99 and 6/12/99 addressed to Withers & Rogers (WR).
2. I do not understand why you have allowed yet another, the fourth, delay for the Applicant to make Security for Costs payment. Allowing in total some 5 months from the time I originally requested such payment although 14 days seems to be indicated in your Rules.
3. I believe WR have been allowed to wrongly and frivolously use and abusing the Patent Office system. I have been disadvantaged and my position and rights compromised.
4. You told me that I should request security of costs directly from the applicant rather than applying to you as one would in the Supreme Court.
5. This I did : you may recall I requested security of costs on 10/7/99 in the Statutory Declaration and also on 23/07/99. At best the applicant ought to have replied by 24/07/99 and worst by latest 07/08/99: as WR must know and ought to have known the Rules in these circumstances. Unfortunately you do not seem to have even reminded WR about the 14 day rule.
6. These request were ignored by WR. I then had to apply to you again when you wrote on 29/09/99 giving WR yet further 30 days to make payments.
7. Although the Applicant had received three requests and had over three months he chose to do nothing and not to make payments.
8. Exercising your discretion to grant a fourth and further time to WR, a Patent Agent who should know better seems to me, a lay person, unfair and maybe biased while taking into account the other actions of the Applicant.
9. I acknowledge that you made the parties aware that you do not normally hold funds. I therefore cannot comprehend why WR suggested that you should hold the funds. Why he intentionally withheld this open letter from you and sent another misleading one with the same date.
10. In any event WR ought to have known that you do not normally hold payments and ought not to have suggested it in the first place. Please note yet a further use and abuse of your procedures which on the whole either do not seem to apply to WR or they are allowed to be ignored, used and abused by WR.
10. However, you were made aware of WR's misleading offer. Yet you chose to do nothing about . It seems that nothing would have been done by you about this frivolous use and

- abuse of the system unless I, as a lay person, brought it to your attention again.
11. Making such a frivolous offer seems to have been calculated to avoid having to comply with the Trade Mark Rules. I note from these rules which you kindly sent me allow for "14 (fourteen) days from the date of the letter for response".
Please note that on my part I have tried to consult you as this is case has been allowed to become more than difficult by the frivolous actions of the Applicant.
 12. The Applicant ought to have made Security for Costs payment by 29/10/99. In the event that The Applicant ought to be allowed yet further time to make such payment ought it not have been automatically made within 14 days from 29/10/99 .
 13. The applicant chose not to contest your Order for Security of Costs and also chose not to make payments. Instead made an offer in an open letter which ought to have been deemed as having withdrawn the application.
 14. May I respectfully inquire whether after 14 days had elapsed after the July request for security of costs, why the Trade Mark Rules were not enforced although they had been requested.
 15. I accept WR's proposal because you told me that parties ought to try to come to an agreement . I relied on WR's obviously superior knowledge of your Rules and procedures and his duty of care. I made you aware of my acceptance of WR's proposal. Yet it was not enforced within the 14 days laid down in the rules that you sent despite requests.
 16. Why has WR been allowed to use and abuse the system by sending you a different letter with the same date from what the open letter he wrote to me. Some may say this action was knowingly designed to mislead.
 17. I note from your letter of 6/12/99 that WR has a deposit account at the Registry therefore indicating a very close relationship. However, debiting WR's account seems biased and unfair. Would I have been allowed the same luxury or would solicitors that I appoint have been allowed such assistance.
 18. In any event the security of costs I assume applies to the applicant not to their agents. In the rules that you sent Security for Costs section 10.10 refers to "a party who does not carry on business in the UK or does not appear to have any, or sufficient assets in the UK to cover an award of costs made against them". It seems to me that the Applicant is aptly described above and that is why you ordered security for costs. Your order was not for WR to make such payment.
 19. May I respectfully suggest that the cheque which is made payable to the Registrar and ought to come from the Applicant's bank account and the cheque ought to be signed by the Applicant.
 20. May I most respectfully suggest that the matter could be transferred to the Supreme Court for this reason alone which in my opinion would, as an independent judge, also come to the same decision concerning your interpretation of your Rules.
 21. May I draw your attention to yet another incident of use and abuse of your Rules and procedures by WR ie. to flagrantly mislead the Registrar when they claimed that the Applicant has a valid presence in the UK. Ought WR be reprimanded for such behaviour? Please see my previous written comments.
 22. As if all these abuses of the system were not enough to convince you, there are more frivolous actions seemingly designed to mislead. Let me bring to your attention yet another. I originally wrote to WR indicating on 5/02/99 indicating my willingness to discuss this matter which was also ignored by the Applicant. I even followed up with phone calls to WR as they chose to ignore my letter. Jeff Hogg of WR was never available for me when I phoned and although I left messages they were never returned.
 23. I therefore do not understand why in their letter of 25/10/99 WR misleadingly claims that I originally offered to discuss this matter on 10/07/99 in the Statutory Declaration, where incidentally, I also requested Security of Costs.
 24. If the Supreme Court were to order me to pay security for cost I would be willing to pay £20,000 within 14 days or more which is the amount that has been indicated that may be required.
 25. Thank you for suspending the proceedings. May I however note that the rules you sent do

not seem to cover this subject. I am loath to refer to the Supreme Court but nevertheless wonder whether a note as to the automatic suspension ought to have been made when the Order for Security for Costs was made.

26. You refer to the Registrar's preliminary opinion that WR's letter contains "*Without Prejudice*" information. May I respectfully ask on what basis was this opinion arrived at.
27. Surely, WR who are established Patent Lawyers who seem to have a permanent account with you must have know or ought to have known that if they intended their letter to be "*Without Prejudice*" they should have indicated as such on their letter.
28. A letter which they ought to have known that they should Copy to you (as indicated under your reference to Copying of Correspondence) instead of sending what some may consider a different and perhaps intentionally misleading letter to you with the same date. Or can such action be regarded as accidental in the same way that "*Without Prejudice*" was allegedly accidentally left off?
29. May I note that it is not so much from the comments in my letter that one can deduce that WR proposed that the Registrar should keep the funds: it is from their open letter dated 25/11/99 ADDRESSED TO ME as opposed to WR's open letter of the same date addressed to the Registrar.
30. If I was to write to WR an open letter accepting their offer to purchase the above mentioned trade mark for £80,000 would it have been considered "*Without Prejudice*".
31. I understand from your letter dated 6/12/99 addressed to WR that you called them concerning the Security for Costs. May I know with whom you spoke and details of your notes concerning your conversation as well as any other conversation.
32. I wish you would also have contacted me by phone concerning this matter. The only time that you have contacted me was when I left a messages.
33. Please let me know whether I have to send a copy of this letter to the Applicant.
34. I am sorry if I do not know your procedures and rules at all or as well as WR. I have however tried very hard to comply with them and sought your guidance. I would just like to be able to think that they are applied equally and in the same way to WR and to the Applicant.
35. Please let me know what I need to do further if I wish to request Transfer of Proceedings to the Court or appeal decisions. Are the two the same?

Your sincerely,

John A. Seiden

John A Seiden

Cross proceedings:

In cross-proceedings the award is usually against the same party in both proceedings. Unless the proceedings were consolidated a separate calculation is made in each proceeding. These must be capable of independent justification in case of appeal. We have to be careful about independence of proceeding in view of a judgment in the Court of Appeal in *Margolin's Design*, (1937) 54 RPC 3. The Registrar will exercise a certain discretion in applying the scale e.g. it would normally be unreasonable to award full costs for each set of evidence in respect of evidence that was identical in the two proceedings.

10.8 Failure to pay costs

The Registrar considers the enforcement of an award to be a matter for the party in whose favour the award was made. If a party awarded costs complains of failure to pay, his attention should be drawn to Section 68 and advised that he should take legal advice. See *Opposition 10979 and Tomlin J* in (1928) 45 RPC 324.

10.9 Registrar's costs in Court**Ex parte appeals:**

Where the Registrar appears before the Court the question of his costs will have to be considered. The usual practice is that where there is an appeal from the Registrar's decision *ex parte*, costs follow the event unless some special circumstances arise.

In the *BURGER KING* case (application No. 1051226) the matter was referred back to the Registrar to consider evidence not available when the matter was before him on the mistaken impression that the Registrar would not admit it, but the Registrar's costs in the High Court were ordered to be paid by the applicant.

Inter partes appeals:

Where the Registrar appears in an appeal from a decision taken in *inter partes* proceedings, his costs are usually paid by the losing party. If the Registrar appears (*amicus curiae*) to call the attention of the Court to some point of law or fact which would appear to have been overlooked, the losing party may not be asked to pay the Registrar's costs.

10.10 Security for costs

Security for costs is the provision of an amount of money sufficient to cover a party's liability for costs in proceedings, should they lose. In proceedings before the Registrar it is usually requested where a party does not carry on business in the United Kingdom or does not appear to have any,

or sufficient assets in the United Kingdom to cover an award of costs made against them.

The Registrar has no direct involvement in how the security is arranged. Normally appropriate sums of money are deposited or undertakings agreed by third parties such as trade mark agents, solicitors or banks.

Requests by UK applicants for security for costs from a party which is a national or resident in another member state party to the Brussels Convention may not be granted unless very cogent evidence of substantial difficulty is provided. This is because the Civil Jurisdiction and Judgements Act 1982, clarified by a decision in the Court of Appeal (*Fitzgerald v Williams*, *The Times*, January 3, 1996, C.A.), determines that the Registrar does not have the vires to automatically award costs against such a party, as the Brussels Convention introduced an effective means by which a successful defendant resident in the UK can enforce an order for costs against an unsuccessful plaintiff in another contracting state.

Under Section 68 and rule 55 the Registrar has the discretion to make an order for security to be granted. Where the circumstances justify the granting of an order, the Registrar may do so against any party in proceedings before him, this includes:

- a person making an application for a trade mark which has come under opposition
- a person opposing an application for a trade mark
- an applicant for revocation, invalidation or rectification

The Registrar will not make an award unless asked to do so and only if the parties are unable to come to an agreement on the matter. If a party applies to the Registrar for security for costs the first action is to write to both parties as follows:

■ **to the party requesting Security for costs:**

"I am directed by the Registrar to say that you should try to come to an agreement with the other side regarding security for costs. If agreement cannot be reached the matter should then be referred to the Registrar.

I have written to the other side notifying them of your request for security to be granted. In the event of this not being possible, the Registrar will give the request further consideration. You will have the opportunity to provide written submissions and in the event of the order not being granted will have the right to a hearing on the matter."

■ **to the party being asked to give Security for costs:**

"The Registrar has been asked to grant an order requiring you to give Security for costs. The Registrar considers this to be a matter to be resolved by agreement between the parties and will only grant an order where agreement cannot be reached.

The party making the request have been advised to contact you to obtain your agreement. In the event of this not being possible, the Registrar will give the request further consideration. You will have the opportunity to provide written submissions and in the event of the order being granted will have the right to a hearing on the matter."

If the parties cannot come to an agreement and the Registrar is asked to make an order, both parties should be sent a letter asking for comments on whether an order for security should be granted. 14 days from the date of the letter is allowed for response. If the party being asked to provide security fails to respond to the request it will be decided from the papers on file. If the party requesting security fails to respond, the request will be considered withdrawn.

If a response is received the files should be passed to the Law section B3 for guidance. A Hearing Officer will be consulted in cases of difficulty.

If security for costs is to be ordered there is no need to calculate notional costs. The Scale of Costs sets an amount for security. A letter is prepared and sent to the party required to provide security:

"I have to say that pursuant to Section 68(3) of the Trade Marks Act and rule 55 of the Trade Marks Rules 1994, the Registrar requires (name of party giving security), the (position in proceedings e.g opponent) in this case to give (name of party receiving security), the (position in proceedings e.g. opponents) security for costs to the amount of £900.00.

If you wish to contest this order you have one month from the date that you receive this letter to request a hearing. If by this date you have not requested a hearing or provided the security the Registrar may, under the provisions of rule 55(2) deem the (type of proceedings) as withdrawn."

If this letter does not result in the security being given and no request for a hearing is made, the file should be submitted to the B3 to consider whether the defaulting party is to be deemed to have withdrawn.