

O547/20

**REGISTERED DESIGNS ACT 1949 (AS AMENDED)**

**IN THE MATTER of Registered Design No. 4009288 in the name of  
Peter S. Magee**

**and**

**APPLICATION TO INVALIDATE (No. 27/18) by BVG Group  
Limited**

**DECISION ON COSTS**

1. On 9 April 2020 I finalised by decision No O-222-20 dismissing this appeal, but owing to problems in the Office resulting from the Covid emergency it was only issued to the parties in late September.
2. The Appellant proprietor is represented on this appeal by McDaniel & Co, solicitors, and the Respondent by Mr Richard Halstead, patent and trade mark attorney, of Richard R. Halstead & Co Ltd.
3. In the decision I commented on the way in which the Appellant proprietor had raised for the first time on the appeal a long list of detailed aspects of the design which he contended to be non-functional, not having raised them either in evidence or submissions before the Hearing Officer.
4. Mr Halstead for the Respondent asks me to depart from the normal scale of costs and to award a total of £7363. However, that sum includes costs

incurred at first instance, in relation to which the Hearing Officer made a scale-based costs order of £548 in favour of the Respondent.

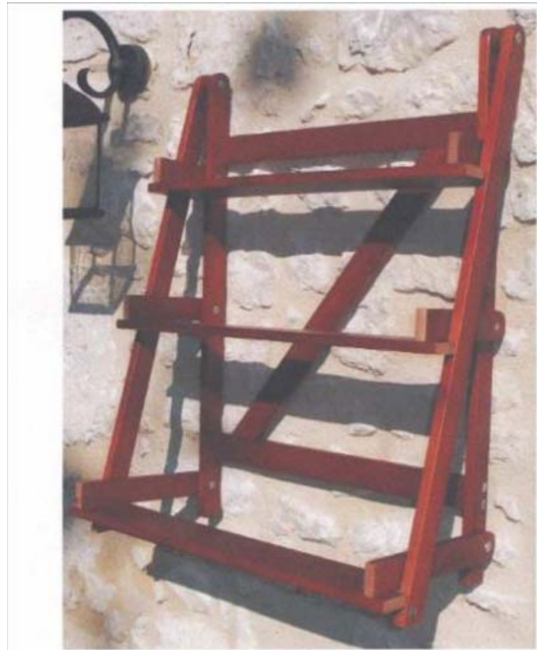
5. In the absence of a notice of cross appeal by the Respondent against the Hearing Officer's decision on costs and asking for a higher award, I doubt that I even have jurisdiction to disturb his costs order. Even if I had such jurisdiction, I would not do so because a costs award is pre-eminently a discretionary decision by the tribunal who has dealt with the proceedings in which the costs were incurred.
6. As to the costs incurred on the appeal, Mr Halstead submits that the Appellant acted unreasonably by not filing evidence at first instance and then appealing by raising grounds that were never raised at first instance, all the while knowing that the Respondent would have to address each and every one of the points raised in order to ensure that it did not lose the case by default on a technicality.
7. McDaniels solicitors reply on behalf of the Appellant that the appeal was entirely legitimate, was not speculative in nature, and was undertaken because the Appellant believed there had been a fundamental error on the part of the Hearing Officer.
8. I am not prepared to find that the appeal was pursued for illegitimate or improper motives. A party who pursues a legitimate appeal to an Appointed Person and loses is normally only exposed to a scale costs order. However, in this instance the Appellant put forward at first instance a general contention that the design was not solely dictated by function, but did not point to any specific or detailed aspects of the design.



Side view of display unit  
No claim is made for the colour or colours shown



Front view of display unit  
No claim is made for the colour or colours shown



Side view of display unit (Wall mounted)  
No claim is made for the colour or colours shown

9. Then, faced with an adverse decision from the Hearing Officer, the Appellant for the first time put forward a long and detailed list of aspects

of the design which he contended were not solely dictated by function, and criticised the Hearing Officer for failing to consider them. Mr Halstead is correct in his submission that this meant that the Respondent needed to address on the appeal each of the points raised.

10. In my judgement, the Appellant has conducted his appeal in an unreasonable way which has led to unnecessarily increased costs for the Respondent. Mr Halstead says that he has charged his client £2032 inclusive of VAT for dealing with the appeal and £460 plus VAT in considering my substantive decision and preparing his submissions on costs. These amounts are modest and reasonable for the work done. I will therefore order the Appellant to pay the net of VAT amount of those items taken together, which by my calculation comes to £2153.33.
11. On the assumption that the Respondent is VAT registered and can recover the VAT on Mr Halstead's fees as input tax, under the indemnity principle it is only entitled to recover the net-of-VAT amount of its costs. If for some reason the Respondent is unable to recover the VAT as input tax, then I would be willing to increase the costs order to cover the VAT.

**Order made**

- (1) The order of the Hearing Officer that the Appellant pay the Respondent £548 as a contribution to the costs at first instance is affirmed.
- (2) The Appellant shall in addition within 21 days of the date of this decision on costs pay to the Respondent the sum of £2153.33 as costs of the appeal.

Martin Howe QC  
Appointed Person (Designs Appeals)  
2 November 2020