

Bird & Bird

# Report of Trade Mark Cases

For the CIPA Journal

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# Trade mark decisions

## Case allocation in the IPEC

*Makeality Ltd v City Doggo Ltd & Anr* (Holroyde, Arnold & Dingemans LJJ; [2025] EWCA Civ 400; 11 April 2025)

*The Court of Appeal dismissed Makeality's appeal against an IPEC case management order that transferred a trade mark infringement claim from the multi-track to the small claims track. Noo Kristin-Ross reports.*

### Background

Makeality owned the trade mark PIDDLE PATCH registered for 'pet litter box tray containing real turf; litter boxes (trays) for pets' in Class 21 and 'turf grass for use as pet litter and sold in a biodegradable box tray' in Class 31. City Doggo sold a similar product under the name Oui, Oui Patch and was accused of also using various versions of PIDDLE PATCH.

Makeality brought proceedings in the IPEC under sections 10(1), (2) and (3). In its defence, City Doggo submitted that the claim was unlikely to be worth more than £10,000 and was suitable for the small claims track. HHJ Hacon ordered that the claim should be transferred from the multi-track to the small claims track.

### Small claims track

CPR rule 63.27 specifies the circumstances in which cases are allocated to the small claims track, which include that the value of the claim is less than £10,000. CPR rule 26.13 adds that consideration should be given to the financial value of the claim, the nature of the remedy sought, the likely complexity of the facts, law or evidence, and the views expressed by the parties.

Further, the IPEC Guide states that claims on the small claims track should be resolved within one day and that the small claims track was "designed to be used" by parties without a legal representative.

### Appeal

Giving judgment for the court, Arnold LJ dismissed Makeality's appeal.

Makeality had not produced evidence before the Judge to support its contention that the financial value of the claim exceeded £10,000, despite being challenged to do so. Arnold LJ therefore agreed with City Doggo that the problem was of their own making. They were unable to challenge the Judge's finding that little was at stake.

Secondly, the Judge was aware of the issues in the case and was not wrong to take the view that they were not significant.

Thirdly, Arnold LJ was of the view that that there was nothing to preclude the parties from having legal representation in the small claims track and the Judge was entitled to conclude that this point should not be permitted to dictate the allocation.

### The Enforcement Directive

Makeality also argued on appeal that the small claims track did not comply with Article 14 of the Enforcement Directive because it did not enable the successful party to recover a significant and appropriate part of reasonable lawyers' fees (unless there was unreasonable behaviour, the recoverable sum was capped at £260).

Arnold LJ pointed out that the first obstacle was that Article 14 was not implemented by the UK while it was a Member State of the EU and he did not accept that the relevant CPR rules should be interpreted so far as possible in accordance with Article 14 (under the Marleasing principle). To do so would "plainly go against the grain of the legislation" and would mean that no intellectual property claim could ever be transferred to the small claims track if the parties were legally represented.

In any event, the Enforcement Directive was no longer applicable following the enactment of the EU (Withdrawal Agreement) Act 2020. Therefore, it was not open to Makeality to advance any such arguments.

## Capping of recoverable costs on appeal

*Shorts International Ltd ("SIL") v Google LLC* (Lewison LJ; [2025] EWCA Civ 653; 14 May 2025)

*The Court of Appeal had previously granted SIL's application for permission to appeal, but ordered that it be conditional upon the provision by SIL of security for Google's costs in respect of the appeal. In assessing how much SIL should provide by way of security, Lewison LJ held that a cost capping order should be made and that the recoverable costs of the appeal and cross-appeal would be limited to that same sum of £60,000. Katharine Stephens reports.*

### Background

SIL commenced trade mark infringement and passing off proceedings against Google in the IPEC. The claim was transferred to the High Court and the transfer order recorded the parties' agreement that the costs cap applicable in the IPEC should continue to apply.

The High Court rejected SIL's case (reported in *The CIPA Journal*, January-February 2025, Volume 54, Number 1-2) but gave both SIL and Google permission to appeal. SIL then applied to the Court of Appeal for permission to appeal on additional grounds and the application was granted by Arnold LJ. However, he attached the unusual condition that SIL should provide security for Google's costs in respect of the appeal.

### Decision

CPR 52.19(2) provides that the Court of Appeal can make an order limiting the recoverable costs of the appeal, but that the Court should have regard to (a) the means of the parties; (b) the circumstances of the case; and (c) "the need to facilitate access to justice". Lewison LJ placed emphasis on the last of these points.

In its submissions, Google took the point that CPR 52.19 did not apply because the trial took place in the intellectual property list in the Chancery Division where costs were not normally capped. Lewison LJ did not accept this. The proceedings began in the IPEC and were transferred on the basis that the costs capping regime should remain in place. Therefore, the transfer did not alter the fundamental nature of the proceedings and CPR 52.19 continued to apply to the appeal.

Lewison LJ considered SIL's evidence about its finances and its efforts to raise money for the costs of the appeal (absent a cost capping order and if it failed on its appeal, SIL faced the prospect of paying its own costs, estimated at £400,000, and Google's which were estimated to be about the same amount). Lewison LJ was as satisfied as he could be on written evidence that the refusal of a costs capping order would fail to facilitate access to justice and SIL would be likely to abandon their appeal. It was the need to facilitate access to justice that tipped the balance.

Lewison LJ held that the appropriate cap on the recoverable costs of the appeal and cross-appeal would be the same cap that applied to the first instance proceedings i.e. £60,000. In doing so, he rejected SIL's claim that the costs be capped at £20,000.

Lewison LJ also rejected Google's application for security in the sum of £200,000 finding that the appropriate amount for security was the amount of the capped recoverable costs i.e. £60,000.

*All decisions are to be found on <https://www.bailii.org>*



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