

O-048-14

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2554766  
BY TRILOGY COMMUNICATIONS HOLDINGS LIMITED TO REGISTER THE  
TRADE MARK**

**TRILOGY**

**IN CLASS 9**

**AND IN THE MATTER OF OPPOSITION  
THERE TO UNDER NO 101451  
BY TRILOGY COMMUNICATIONS INC**

**DECISION ON COSTS**

## **BACKGROUND AND PLEADINGS**

1) On 3 August 2010, Trilogy Communications Holdings Limited (“the applicant”) applied under the Trade Marks Act 1994 (“the Act”) for registration of the mark TRILOGY in respect of a list of goods in Class 9.

2) The application was published in the Trade Marks Journal on 22 October 2010 and on 21 January 2011, Trilogy Communications Inc. (“the opponent”) filed notice of opposition to the application. The grounds of opposition were based upon Section 5(2)(b), Section 5(3) and Section 5(4)(a) of the Act. For the purposes of the grounds based upon Section 5(2)(b) and Section 5(3), the opponent relied upon a single earlier registration, namely Community Trade Mark (“CTM”) 257659 in respect of the mark TRILOGY COMMUNICATIONS.

4) The applicant subsequently filed a counterstatement denying the opponent’s claims with the exception that it admits that the marks are similar and that the opponent manufactures and markets co-axial cables in the USA. It counter-claims that it has been using its mark in the UK since 1986 in respect of the goods listed in its application. It put the opponent to proof of use.

5) A case management conference (“CMC”) was held on 21 February 2012 to discuss the matters of the opponent’s application for summary judgment and its request for an extension of time to submit its evidence-in-chief. The application for summary judgment was dismissed and the extension of time request was allowed.

6) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The substantive matter came to be heard on 19 June 2013 when the opponent was represented by Ms Charlotte May, instructed by Edwards Wildman Palmer UK LLP, and the applicant represented by Ms Emma Himsworth QC, instructed by Charles Russell LLP.

7) At the hearing, the opponent dropped its claims based upon Section 5(4)(a).

8) Subsequent to the hearing, as a result of an action before the Office for Harmonization in the Internal Market (“the OHIM”) brought by the applicant in the current proceedings, the opponent’s earlier Community Trade Mark (“CTM”) was surrendered. On 16 December 2013, I wrote to the parties stating that it appeared that the basis of the proceedings had been removed and the opposition should fail. The opponent was invited to make any submissions it wished to make. As a result of this letter, Edward Wildman, for the opponent, confirmed that the only outstanding issue was the decision on costs and provided written submissions on this issue. Despite the letter erroneously inviting only the opponent to file submissions, Charles Russell, on behalf of the applicant, also provided submissions on the issue of costs. I shall take both of these submissions into account when making my decision.

## DECISION

9) At the hearing, Ms Himsworth submitted that “off-scale” costs were appropriate in respect of the applicant’s attempt to obtain summary judgement.

10) In response to my request for written submissions after the earlier mark was surrendered, Edward Wildman for the opponent reminded me that, at the hearing, both sides were in agreement that the costs award should be for “scale costs” save in relation to the application for summary judgment.

11) Edward Wildman submits that there is no basis for the request for off-scale costs in respect of the summary judgment request. It states that these proceedings are linked to a series of proceedings before the OHIM and that all proceedings concern the mark TRILOGY. The parties attempted to negotiate a settlement, but this failed. Edward Wildman submits that, notwithstanding this failure, there has been no unreasonable behaviour by either party which would merit off-scale costs.

12) Charles Russell submits that off-scale costs are appropriate in respect of the issues of summary judgment, the related request for an extension of time and the case management conference that followed.

13) It correctly refers to the powers set out in Rule 67 of the Trade Mark Rules, 2008:

*The registrar may, in any proceedings under the Act or these Rules, by order award to any party such costs as the registrar may consider reasonable, and direct how and by what parties they are to be paid.*

14) It also made reference to Tribunal Practice Notice (TPN) 2/2000 that stated:

*It is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour.*

15) It is submitted that the opponent’s application for summary judgment “was a delaying tactic employed by the opponent because of its failure to gather and submit evidence of use of the Community Trade [Mark] within the timetable laid down by the Registry”. To support this submission, reference is made to the timing of the request in relation to other deadlines and activities, as follows:

- The opponent’s evidence-in-chief, including evidence of use was due by 11 November 2011;
- The opponent wrote to the Registry on 9 November 2011 seeking summary judgment and reserving right to file evidence and observations following a hearing on the summary judgment issue.

- The evidence was not submitted in time and no extension of time was requested before the deadline of 11 November 2011;
- The Registry issues a preliminary view not to grant summary judgment on 15 December 2011. The parties were given until 29 December to comment. The opponent requested, and was granted, an extension of time until 10 January 2012;
- On 10 January 2012, the opponent filed written reasons why it disagreed with the Registry's preliminary view and also filed a retrospective extension of time, until 13 March 2013, to file its evidence-in-chief;
- At a CMC on 23 February 2012, the application for summary judgment was dismissed and the extension of time request was allowed;
- Negotiations between the parties did not commence until after the issue of summary judgment had been decided.

16) The reasons put forward for summary judgment were based on the fact that the applicant had submitted, as the opponent in the OHIM proceedings, that there was a likelihood of confusion between the respective marks, but that in the current proceedings it has submitted that there is no likelihood of confusion. The opponent contended that this admission before the OHIM undermined the applicant's case in the current proceedings and for that reason summary judgment was appropriate.

17) I rejected the application for summary judgment on the basis that the issue would more correctly need to be aired in the proceedings before the OHIM because that is where the contradictory statement was made. I observed that, to do otherwise, would result in both sets of proceedings falling away without the benefit of consideration based upon the substantive merits of the cases. This is because the mark, the subject of the current proceedings, is also the earlier mark relied upon in the opposition proceedings before the OHIM. Therefore, the success of an application for summary judgment in the UK proceedings would also have the effect of removing the earlier right being relied upon before the OHIM.

18) Charles Russell submits that the application for summary judgment was "inappropriate and misconceived at best, and at worst a cynical tactic designed to delay the proper resolution of the proceedings and/or circumvent the need to file evidence of genuine use."

19) I remain unconvinced by the arguments presented on behalf of the applicant. Whilst the application for summary judgement was received around the time the opponent's evidence-in-chief was due, it is not obvious to me how this can be considered to have an impact upon the issue of submitting evidence of use. The considerations on the application for summary judgment and the considerations for granting an extension of time to file this evidence were separate issues. Whilst it is possible that the application for summary judgment could be used as

a reason for delaying finalising evidence, there is nothing before me to suggest this other than the circumstantial assertions made by the applicant.

20) Further, as Edward Wildman submits, the opponent was of the view that summary judgment “was the perfect vehicle for terminating the proceedings as the admission in the CTM opposition proceedings was an admission that the marks were confusingly similar” and it felt it had no need to prove anything beyond that. It argues that rather than the application for summary judgment being a delaying tactic, it was filed in a *bona fide* effort to bring the various disputes to a swift conclusion.

21) It is true that the circumstances detailed by Charles Russell paints a picture of the applicant not being particularly engaged in the proceedings and erroneously relying upon the existence of negotiations when these did not commence until sometime after the issue of summary judgment was settled. In my view, this does not translate into a deliberate intension to delay the proceedings. The reasons for bringing the application for summary judgment had some merits, if ultimately unsuccessful. Further, the extension of time request and the applicant’s associated costs is not an issue that I categorise as unreasonable behaviour.

22) Taking all of the above into account, it is my view that the applicant’s case for “off-scale” costs is not made out. That said, it is appropriate that it is awarded a contribution towards the costs of the CMC. In that respect, I award £300. This must be factored into the overall costs award.

23) In summary, with the earlier mark being surrendered, the opposition has effectively failed and the applicant is entitled to a contribution towards its costs. It is appropriate that such an award of costs is within the published scale. In addition, an award of costs on a contributory basis is also appropriate in respect of the CMC, as discussed above.

24) I take account of the fact that a hearing has taken place and that both sides filed evidence. I also take account of the arguments presented on behalf of both parties on the issue of costs. I award costs on the following basis:

Considering Notice of Opposition and statement	£200
Statement of case in reply	£300
Preparing evidence & considering other side’s evidence	£900
Preparing and attending CMC	£300
Preparing for & attending hearing	£800
<b>TOTAL</b>	<b>£2500</b>

25) I order Trilogy Communication Inc. to pay Trilogy Communications Holdings Limited the sum of £2500. This sum is to be paid within seven days of the expiry

of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 28th day of January 2014**

**Mark Bryant  
For the Registrar,  
the Comptroller-General**