

**O-258-16**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO 2201115  
IN THE NAME OF TITANIC TRADEMARK LIMITED**

**AND**

**CANCELLATION NO 500742 THERETO  
BY PROPERTY RENAISSANCE LIMITED**

**SUPPLEMENTARY DECISION**

1. On 8 March 2016, I issued a decision under BL O-127-16 in which I noted that the applicant had sought costs off the scale “to reflect the extra effort and expense caused by the registered proprietor’s late applications to file evidence and transfer proceedings to IPEC”. In that decision, I allowed the applicant a period of two weeks to file a schedule of costs. It did so under cover of a letter received by email on 22 March. The registered proprietor was subsequently allowed a period to file a response and did so by way of a letter dated 10 May, again received by email.

2. I note that these proceedings were launched on 22 January 2015. They followed a standard route through the evidence rounds. The applicant did not file evidence but, having considered the registered proprietor’s evidence, filed written submissions in response to it. The parties were then advised of the completion of the evidence rounds and reminded of their right to be heard. On 24 November, the registered proprietor sought to be heard and, on 25 November, the parties were further advised that a hearing had been appointed and would take place on 18 January 2016. I will refer to these as the “standard stages”.

3. In its submissions, the registered proprietor states that there is no reason why costs in relation to the standard stages “should not be dealt with in the normal manner and awarded on the basis of the official scale.” It further submits that “an appropriate award would be at the lower end of the scale”. I note that the applicant has not made a request for costs off the scale in relation to these standard stages of the proceedings nor do I consider any such award would be justified.

4. The applicant does, however, seek costs off the scale in respect of issues which arose following the appointment of the hearing. Full details of these issues are set out in my earlier decision and I do not intend to repeat them here. It is sufficient to note that they were three in number:

1: a request to transfer the proceedings to the Intellectual Property Enterprise Court (“IPEC”);

2: in the alternative, a request for leave to file additional evidence in the form of a witness statement of Conal Vincent Harvey with exhibits. These two requests were made by way of a letter dated 23 December 2015; and

3: a request to re-open the evidence stages and grant leave to file evidence in reply in the form of a second witness statement of John Nicholl with exhibits. This request was made in a letter dated 1 December 2015. A preliminary view to refuse the request was notified to the parties on 7 December with the registered proprietor being advised that it could instead file written submissions in response to the written submissions of the applicant. It did not do so. Despite the refusal of the request, it filed a second witness statement of Mr Nicholl on 13 January 2016 (Wednesday) just a few days before the appointed hearing date of 18 January (Monday) for which skeleton arguments were due on 14 January (Thursday). The evidence filed consisted of more than 300 pages.

5. The applicant submits:

“These belated and desperate requests for supplementary evidence have critically tipped the balance of costs for the applicant from simple to double, in addition to what cannot be measured in monetary terms, namely the time spent and the heightened stress for the applicant in handling these last minute filings of voluminous evidence...£4,420 is the part that is directly linked to the handling of the proprietor’s persistent last minute attempts to include further voluminous evidence and which we needed to analyse prior to the hearing and with only days’ notice.”

6. For its part, the registered proprietor submits that the applicant’s costs in respect of these late requests:

“...should also be calculated in accordance with the official scale-this is not an exceptional case where off-scale costs are justified. In accordance with the Trade Marks Manual, off scale costs may be appropriate where there has been unreasonable behaviour on the part of a party. This is not, however, an instance as referred to in the Trade Marks Manual where a case has been brought without any bona fide belief that it was soundly based or where the Registry was being used for anything other than resolving a genuine dispute.”

7. In relation to the request to transfer proceedings to IPEC, it submits:

“Although the application was not granted, the application cannot be considered to amount to unreasonable behaviour. The costs of the Cancellation Applicant in relation to this application can therefore be appropriately compensated on the basis of the official scale.”

8. In relation to the request for leave to file the evidence of Mr Harvey it submits:

“...the Registrar may, at any time, give leave to a party to file evidence. Applying for such leave cannot therefore, in itself, constitute unreasonable behaviour. The...application to file the Witness Statement...was made on 23 December 2015 and comprised evidence that the [applicant] had already been provided with on 12 November 2015 in the context of [infringement proceedings already before IPEC]. As such, little if any additional time beyond that spent considering the evidence in relation to the Infringement Proceedings would have been required by the [applicant] to review this evidence. [It] accepted the admission of this evidence, as stated in its letter to the Tribunal of 13 January 2016 and again at the hearing”.

9. In relation to the request to file Mr Nicholl’s second witness statement, it submits:

“Whilst [the request] was only made on 13 January 2016, the decision of the Hearing Officer that the evidence filed up to that point was not sufficient to prove genuine use of the trade mark supports the ...decision to apply to file additional evidence. *(I did not, of course, make any findings in relation to the evidence filed during the standard stages before issuing my decision).*

The official scale allows for costs of up to £2000 for preparing evidence and considering and commenting on the other side's evidence if the evidence is substantial. The [applicant] did not prepare any evidence and, taking into account the Second Witness Statement of Mr John Nicholl, whilst the [registered proprietor] submitted a reasonable quantity of evidence it was not excessive for a case of this type, concerning a mark registered with respect to a wide range of services. As such, any award of costs in relation to the evidence considered by [the applicant], including the additional evidence, should not exceed £2000.

In view of the above, there is no basis for awarding ...costs off scale.”

10. As set out above, the registered proprietor has referred to the Trade Marks Manual and part of an entry therein. In full, the entry states:

“It is vital that the Tribunal 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. In Rizla Ltd's application [1993] RPC 365 (a patent case) it was held that the jurisdiction to award costs, derived from section 107 of the Patents Act 1977, conferred a very wide discretion on the Comptroller with no fetter other than to act judicially. It is considered that the principles outlined in Rizla's application apply also to Tribunal proceedings. Thus, if the Tribunal felt that a case had been brought without any bona fide belief that it was soundly based or, if, in any other way, its jurisdiction was being used for anything other than resolving genuine disputes; it has the power to award compensatory costs. It would be impossible to outline all of the situations which may give rise to such an award; however, Hearing Officers have stated that the amount should be commensurate with the extra expenditure a party has incurred as the result of unreasonable behaviour on the part of the other side. This “extra costs” principle is one which Hearing Officers will take into account in assessing costs in the face of unreasonable behaviour. Hearing Officers should act judicially in all the facts of a case. It is worth clarifying that just because a party has lost, this is not indicative, in itself, of unreasonable behaviour. Any claim for costs approaching full compensation or for “extra costs” will need to be supported by a bill itemising the actual costs incurred.”

11. The discretion to award costs vested in me is a wide one. The registered proprietor's applications to transfer proceedings and for leave to file evidence from Mr Harvey and Mr Nicholl will undoubtedly have caused the applicant an amount of extra work particularly so given that they were made after the standard stages of the proceedings had concluded. Mr Harvey's evidence was available on 12 November (at the latest) but the request to admit it was not made until 23 December. In the case of Mr Nicholl's evidence, this was a very large volume of material and the fact that the request to admit it was made so close to the date of the hearing would have increased costs substantially both in terms of the time necessary to review that evidence and the need to prepare supplementary skeleton arguments at such short notice.

12. The parties were notified of the date of the hearing on 25 November. In my view the request to transfer proceedings to IPEC made on 23 December was wholly without merit for the reasons given in my earlier decision. The alternative request to be allowed to file a witness statement of Mr Harvey was accepted by the applicant (though it indicated it did so “under duress”) and it accepted that it had had a copy of this evidence since 12 November (albeit in relation to other proceedings). This would have limited to some degree the amount of additional time needed to consider it.

13. A request to file a second witness statement of Mr Nicholl had been made on 1 December. For reasons set out in my earlier decision, that request had been refused and the parties notified on 7 December. The registered proprietor had not challenged that refusal but, nevertheless, on 13 January filed a witness statement from him dated the same day. This was just a day before the skeleton arguments were due to be filed in readiness for the hearing. For reasons also given in my earlier decision, this evidence was rejected. I consider the registered proprietor has behaved unreasonably in respect of this evidence.

14. In all the circumstances, I consider the applicant is entitled to an award of costs off the scale in relation to the work undertaken in respect of these late requests.

15. Before going on to make the award, there is one further issue I should mention. In its written submissions, the registered proprietor states:

“We also submit that it would be appropriate to reduce the costs awarded to [the applicant] in view of its failure to notify [the registered proprietor] when it filed its schedule of costs.”

It submits that because it had not received a copy of the schedule of costs, it “assumed that no such schedule had been filed and that there would be no order as to costs”. As a result it had “filed an appeal with the High Court of England and Wales on the 5 April 2016 (the deadline specified by the Tribunal in its letter of 8 March 2016)” which it later withdrew with the agreement of that Court and with a refund of the appropriate fees.

16. The Tribunal’s letter referred to is that under cover of which my earlier decision was sent to the parties. I accept that, for reasons unknown to me, the letter did give a deadline for filing an appeal, however in my earlier decision I stated:

**“The applicant has been successful and is entitled to an award of costs in its favour.** At the hearing, Mr Longstaff requested costs off the scale to reflect the extra effort and expense caused by the registered proprietor’s late applications to file evidence and transfer proceedings to IPEC...

I allow a period of two weeks for the filing of a schedule of costs. Once received, I will issue a supplementary decision of costs. **The period for appeal against this decision will run from the date I issue that supplementary decision.**”

17. It is clear from this that whether or not the applicant filed a schedule of costs in relation to the late applications made, an award of costs would follow with the period

for appeal starting when I issued that supplementary decision. The covering letter was at odds with my decision and therefore clearly erroneous but, had the registered proprietor or its professional representatives been in any doubt, a quick 'phone call would have settled matters. The registered proprietor's (or more likely its representatives) "assumption" that there would be no costs order issued was therefore an unwise one to make. Whilst parties are reminded of the importance of copying all and any correspondence sent to the registrar to the other party, I do not consider the registered proprietor's decision to file an appeal when it did can be laid squarely at the applicant's apparent failure to copy its schedule of costs to the registered proprietor and I decline to make a reduction in the award in respect of this.

18. The schedule of costs submitted by the applicant lists the various pieces of work undertaken during the pendency of the proceedings. The letter states:

"I have highlighted the extra effort and costs incurred due to the [registered proprietor's] late request for transfer to IPEC, and late applications (two) to file additional evidence in the run up to the hearing..."

Three items are highlighted as follows:

"14 Jan 2016 \*Making Further Changes to Skeleton Argument and Advising by Email £750.00  
15 Jan 2016 \*Drafting Supplemental Skeleton Argument £625.00  
17<sup>th</sup> Jan 2016 \*Considering New Evidence £2,000.00"

These total some £3375 yet the applicant submits:

"£4,420 is the part that is directly linked to the handling of the ...persistent last minute attempts to include further voluminous evidence and which we needed to analyse prior to the hearing and with only days' notice".

There is no explanation of how it reached the higher sum nor is there anything that explains the discrepancy between the two figures.

19. Taking all matters into account, I order Titanic Trademark Limited to pay Property Renaissance Limited the sum of £5575. This is made up as follows:

For preparing a statement and reviewing the other side's statement:	£400
Expenses:	£200
For considering and commenting on the other side's evidence in chief:	£800
Preparing for and attending the hearing:	£1,000

Additional costs of dealing with late requests: £3,375

**Total: £5,775**

20. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 20<sup>TH</sup> day of May 2016**

**Ann Corbett  
For the Registrar  
The Comptroller-General**