

O/1122/22

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. UK00003520508

BY BULLARDS HOLDING COMPANY LIMITED

AND

OPPOSITION No. 423823

BY RED BULL GMBH

Decision on costs

1. On 25th October 2022, I issued a decision rejecting an opposition by Red Bull GmbH (“the opponent”) to an application filed on 7th August 2020 by Bullards Holding Company Limited (“the applicant”) to register BULLARDS and BULLARD’S as a series of two trade marks in relation to a range of goods/services, including alcoholic and non-alcoholic beverages and energy drinks.

2. The applicant informs me that the application was made in the wrong company name and that it has applied to correct the register. The opponent informs me that the applicant company changed its name to TBGin Holdings Limited on 23rd August 2019. It accepts that this is the same legal entity.

3. In my earlier decision I noted that as the applicant had been successful it would normally be entitled to a contribution towards its costs. I also noted that the opponent had asked for an off-scale award of costs in its favour. There were two reasons for this. Firstly, the opponent complained that the applicant had put it to proof of the reputation of the RED BULL mark when it must have been aware that the mark had a reputation for, at least, energy drinks. Secondly, the opponent said that the applicant’s evidence from its trade mark attorney, Ms Tolson, was irrelevant. Accordingly, the opponent said it had been put to the unnecessary cost of proving the reputation that RED BULL obviously has, and of reviewing Ms Tolson’s pointless evidence.

4. For the applicant, Mr Wood asked for an opportunity to make submissions on the opponent’s application after it had sight of my decision on the substance of the opposition.

5. As the opponent had already explained its case for off scale costs, I directed that:

- i) The applicant had 21 days from the date of the decision on the substantive matter to file written submissions on the opponent’s request for off-scale costs, and the appropriate contribution towards its own costs arising from the opponent’s unsuccessful attempt earlier in the proceedings to add a bad faith ground to its pleadings;

ii) The opponent had 21 days from the receipt of such submissions to file any written submissions in reply that it wishes to be taken into account.

6. I subsequently received written submissions from the applicant's representative. The gist of these submissions is that:

(i) The applicant was entitled to require proof of the reputation of RED BULL because the opponent's claimed reputation was not limited to energy drinks; it was to "*non-alcoholic beverages including energy drinks*";

(ii) The RED BULL mark was subsequently found to have a reputation for energy drinks, but not for alcoholic beverages at large;

(iii) The opponent also claimed to have a reputation for two marks consisting of, or including, the word BULL; these marks were found not to have a reputation;

(iv) The evidence the opponent filed to support its claimed reputation for RED BULL was similar to the evidence filed in earlier opposition proceedings concerning an application to register RED DAWG¹; the cost of preparing the evidence was therefore already largely covered by the costs awarded in those proceedings;

(v) Some of Ms Tolson's evidence, i.e. evidence about the meaning and significance of BULLARD, was relevant;

(vi) Whilst accepting that her evidence about the reasons why the applicant chose the mark BULLARD might have been better coming from the applicant itself, and addressing the specific issue of why the mark was chosen for energy drinks, the opponent had not shown that Ms Tolson knowingly filed irrelevant evidence.

¹ BL O/636/21

7. The opponent filed written submissions in reply. The gist of these submissions is that:

(i) Although the opponent's claimed reputation extended to other marks and other non-alcoholic beverages, it was open to the applicant to admit that RED BULL had a substantial reputation for energy drinks;

(ii) It did not do so, even when I asked the applicant's representative to clarify its position on that point at the hearing;

(iii) Over half the opponent's evidence, and a large part of the opponent's skeleton, was directed at showing that RED BULL had a reputation for energy drinks;

(iv) Although the evidence filed in these proceedings was similar to the evidence filed in the RED DAWG case, it had to be updated and significantly tailored to meet the requirements of this case;

(v) None of Ms Tolson's evidence was relevant or of any value, but dealing with it also added significantly to the opponent's costs.

8. The opponent therefore requested an award of £14,227.95 in costs.

9. The opponent also pointed out, correctly, that contrary to the position indicated in my directions, the applicant has already been awarded and received costs in relation to the opponent's earlier application to add a bad faith ground to its opposition. I therefore need say no more about this.

10. The applicant filed further written submissions in reply pointing out, inter alia, that the opponent spent little time at the hearing making submissions about the reputation of the RED BULL mark. This was because I ruled that, given the clear evidence, oral submissions from the opponent on that matter were unnecessary.

11. Section 68 of the Trade Marks Act 1994 and Rule 67 of the Trade Mark Rules 2008 give the registrar a wide discretion to award costs. As Anthony Watson Q.C. stated in *Rizla Ltd.'s Application*² when considering a very similar provision under the Patents Act 1977:

² [1993] RPC 365

“The wording of section 107 could not in my view be clearer and confers on the Comptroller a very wide discretion with no fetter other than the overriding one that he must act judicially.”

12. The registrar normally awards costs based on a published scale³. The scale aims to award costs on a contributory rather than compensatory basis. This is because the registrar operates an accessible low-cost tribunal with predictable costs. However, the registrar’s practice makes it clear that costs may be awarded on a compensatory basis if a party behaves unreasonably. The opponent’s case is essentially that the applicant has acted unreasonably in the ways described above.

13. Whether a trade mark has a relevant reputation is not always a binary matter. A reputation that qualifies the mark for protection under section 5(3) can be conceded and yet the opponent still put to proof of the strength of the reputation claimed (assuming that is ‘high’). This was not a factor in this case because RED BULL obviously has a strong reputation for energy drinks. It is unreasonable to use the opposition procedures to require the other side to spend time and money proving something that is obvious to all. The applicant could and should have admitted that RED BULL has a reputation for energy drinks. That is what a person acting reasonably would have done. However, there is some merit in the applicant’s submission that the opponent contributed to the difficulty by framing its claim to the reputation of RED BULL for energy drinks within a broader claim of a reputation for non-alcoholic beverages at large.

14. Although the courts have endorsed the registrar’s power to award compensatory costs in cases of unreasonable behaviour, it does not follow that compensatory costs must be awarded whenever there is any unreasonable behaviour. Rather, as stated in *Rizla’s Application*, the question is whether *“the behaviour in question constituted such exceptional circumstances that a standard award of costs would be unreasonable.”*

³ See paragraphs 5.3 and 5.6 of the Trade Marks Work Manual on the IPO website

15. In my view, the applicant's behaviour in this case has not been so unreasonable that I should depart from the usual scale of costs. I will therefore approach the matter from the usual stance of awarding scale costs to the successful party, in this case the applicant. I will, however, take account of the applicant's behaviour, particularly its continued refusal to concede the obvious fact that RED BULL has a reputation for energy drinks, as a material factor in my assessment. Taking this into account I assess costs as follows:

£300 for considering the notice of opposition and filing a counterstatement;

£500 for considering the opponent's evidence;

£800 for taking part in the hearing and filing a skeleton argument;

£400 for considering the opponent's request for off-scale costs and filing written submissions.

16. I therefore order Red Bull GmbH to pay TBGin Holdings Limited the sum of £2000. This sum to be paid within 21 days of the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated 19th December 2022

Allan James

For the Registrar