

O/0349/26

TRADE MARKS ACT 1994

SUPPLEMENTARY DECISION

IN THE MATTER OF APPLICATION NO. UK00003893940
IN THE NAME OF ERM GLASGOW LTD
TO REGISTER THE FOLLOWING TRADE MARK:

Chulo's

IN CLASS 30

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. OP000441969
BY ANGELS SHARE (MCR) LIMITED

BACKGROUND AND PLEADINGS

1. In my decision O/0159/26, issued on 26 February 2026 (“my original decision”), I found that the opposition brought by Angels Share (MCR) limited (“the Opponent”) failed against application number UK00003893940 by ERM GLASGOW LTD (“the Applicant”).
2. In my original decision, I stated:

“COSTS

21. The Applicant has been successful and is entitled to a contribution towards its costs, typically based upon the scale published in Tribunal Practice Notice 1/2023. However, I note that the Applicant has requested an award of costs off the published scale.¹ In view of this, ERM GLASGOW LTD has 14 days from the date shown below to make written submissions regarding their claim for off-scale costs. I will permit Angels Share (MCR) limited 14 days from the date of receipt of ERM GLASGOW LTD’s submissions to respond to those submissions.”

3. The Applicant filed written submissions regarding their request for off-scale costs on 12 March 2026.
4. The Opponent did not file any response to the Applicant’s submissions.

COSTS DECISION

5. The Applicant claims it incurred avoidable additional costs in the sum of £3,100 (+VAT).² This amount is broken down as follows:

¹ Applicant’s submissions in lieu paragraph 4.3

² Applicant’s submissions on costs, page 2-3.

Date invoiced	Action	Amount
July 2024	in the absence of a response from the opponent to the request to enter the cooling off period by COB on 5th July, preparing defence on 6th July for submission by 6th July deadline	£600 + VAT
September 2024	Advising the Applicant on 8 August 2024 concerning the Opponent's position following their refusal to withdraw the opposition; advising on the alleged infringement risk and possible steps	£1000 + VAT
October 2024	preparing letter to the Opponent with an amended settlement proposal	£400 +VAT
March 2025	correspondence with the Opponent and requesting their response to your updated settlement proposals; filing the previously prepared defence and counterstatement; advising on next steps	£606 + VAT
May 2025	following up with Opponent in April and May for a response to our previous settlement proposals; reporting that the Opponent filed no evidence in the opposition, including a review of the implications of this, and a summary of the status of the settlement negotiations and recommended next steps	£274 + VAT
July 2025	preparing and filing final arguments in the opposition.	£300 +VAT

6. I note that the Applicant includes costs incurred from preparing a defence and counterstatement and preparing final arguments in the opposition proceedings. I do not consider these to be avoidable additional costs, but rather costs that are routine and expected to be incurred by parties engaged in opposition proceedings. The preparation and filing of documents to meet routine procedural deadlines does not represent unreasonable behaviour and is not justification for an award of off-scale costs.
7. The Applicant submits that the Opponent's behaviour has been unreasonable and has inflicted unnecessary stress on the Applicant. They further submit that costs should be awarded off the standard scale for the following reasons:
- Delays/absence in communication from the Opponent during negotiations
 - Unsubstantiated grounds of goodwill and reputation
 - Refusal to withdraw opposition after limitation
8. The Applicant refers to the direction of Tribunal Practice Notice 1/2023, specifically that "behaviour designed to delay, frustrate or unreasonably increase the costs/burden on the other party" may justify an off-scale award of costs. However,

the key aspect of this direction is the intention, which I consider has not been demonstrated.

9. The fact that the Opponent chose not to fully engage in negotiations and responded late to a request to enter into cooling off does not, in itself, amount to unreasonable behaviour. Whilst in civil litigation parties are expected to attempt resolution through mediation or negotiation, it is not mandatory. Unless the court orders the parties to engage in mediation or other forms of alternative dispute resolution (ADR),³ parties are free to progress and resolve their dispute through litigation. The same principle applies to trade mark oppositions. The Opponent is under no obligation to request a cooling-off period, and I consider that the costs incurred by the Applicant from settlement negotiations were incurred as a result of their own decision to pursue those negotiations, rather than from the behaviour of the Opponent. In view of the above, I do not consider that the Opponent's actions represent unreasonable behaviour or justify an award of off-scale costs.
10. On the point of grounds 5(3) and 5(4)(a) being pleaded but not substantiated in evidence, this does not necessarily lead to a finding of unreasonable behaviour. The legal framework allows owners of earlier rights to oppose trade mark applications on a range of grounds, and it is not uncommon for an Opponent to withhold filing evidence in proceedings if they later decide to narrow the scope of an opposition. It is unknown whether the Opponent would have been successful in these grounds had evidence been filed.
11. On the point of the Opponent's refusal to withdraw their opposition after the limitation of the specification, this is a decision that the Opponent is open to make and I consider their conduct falls within the band of what it is legitimately entitled to do. It is for the Opponent to decide whether to maintain proceedings and the fact that I found in favour of the Applicant does not mean that the Opponent was unreasonable in continuing with the Opposition proceedings. Just because a party has lost, this in itself is not indicative of unreasonable behaviour.

³ CPR 1.4 (e) and 3.1 (o) expressly provide that the court may order the parties to engage in ADR

12. In view of the above, having considered the Applicant's points in detail, I do not consider that the behaviour outlined justifies an award of costs off the scale as the Opponent's behaviour does not meet the threshold required to be considered unreasonable.

13. Therefore, considering the guidance in Tribunal Practice Notice 1/2023, I award the Applicant costs on the following basis:

Considering the notice of opposition and preparing a counterstatement	£250
Written submissions in lieu of a hearing	£350
Total:	£600

14. I therefore order Angels Share (MCR) limited to pay ERM GLASGOW LTD the sum of £600. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

APPEAL PERIOD

15. The appeal period for this decision on costs and for my decision O/0159/26 dated 26 February 2026 will run from the date of this decision.

Dated this 24th day of April 2026

Emma Rees
For the Registrar