

BL O-1034-24

TRADE MARKS ACT 1994

SUPPLEMENTARY DECISION

IN THE MATTER OF CONSOLIDATED PROCEEDINGS

UK TRADE MARK APPLICATION 3730579 IN THE NAME OF RAZOR USA LLC
FOR THE TRADE MARK:

POWER RIDER

AND

FAST TRACK OPPOSITION THERETO UNDER NO 600002212
BY A CREATIVE LIVE

AND

IN THE MATTER OF UK TRADE MARK NO 917928060
IN THE NAME OF A CREATIVE LIVE FOR

POWER RIDER

AND

A CANCELLATION APPLICATION THERETO UNDER NO 505328
BY RAZOR USA LLC

Background

1. On 12 September 2024, I issued a decision in these proceedings that dealt with Creative Live's opposition (hereinafter 'Creative') filed against Razor USA LLC's (hereinafter 'Razor') POWER RIDER trade mark application and Razor's cancellation application filed against Creative's earlier POWER RIDER trade mark. Both the opposition and the invalidation failed in respect of the grounds relied on.

2. At the conclusion of the substantive decision, under the heading, 'costs', I said:

"99. Given that the cancellation by Razor and the opposition by Creative have failed, I would normally direct that parties bear their own costs.

100. However, this has been an unusual case, beset with delays and difficulties getting to the hearing. Creative delayed identifying its goods of interest until the hearing, during cross-examination, which meant that Razor was put to additional expense challenging goods that Creative has no interest in.

101. Consequently, Razor has 14 days from the date shown below to make written submissions about appropriate costs for these proceedings. I will permit Creative 14 days from the date of receipt of Razor's submissions to respond to those submissions."

3. Both parties made submissions by the required dates.

Razor's submissions

4. Mr Holah, who represented Razor at the hearing, made submissions on costs in a letter dated 20 September 2024.

5. His first submission is that Razor should be awarded costs on the usual scale for both the invalidity action and opposition action. Razor claims it should be seen as being successful in both actions and has not included amounts in its letter in respect of scale costs.

6. Razor claims that the registration relied on by Creative in the opposition (against which Razor's invalidity action was filed) covered the goods in classes 18 and 28. Following my decision Creative's registration only remains in place for 'manually operated exercise equipment'. This means that most of the specification has been removed as a result of these proceedings, so that Razor's invalidity action should be seen as successful.

7. Razor's second costs claim is that Razor should in fact be awarded costs above the usual scale for the invalidity action because Creative's specification was not accurately represented as 'manually operated exercise equipment' – the claim for additional costs caused by this is £16,392.69.

8. Razor claims that if the registration had only covered 'manually operated exercise equipment' the invalidity action would not have been filed as there would not have been any overlap in goods. Secondly, it is clear from Razor's skeleton argument that it does not object to Creative maintaining a registration for 'manually operated exercise equipment'. Thirdly, the entirety of Razor's case based on bad faith and passing off was only required because of the breadth of Creative's registration.

9. Razor's third submission on costs is made with regard to Creative's failure to provide an amended TM7F. The tribunal requested that Creative file an amended TM7F on several occasions. Creative did not do so. As a result, for the hearing, Razor prepared for and presented its additional submissions concerning this issue. It estimates these costs at £1,168.60, although I note it also says that it is 'impossible to ascertain exactly how much time was spent on this point'.

Creative's submissions

10. Mr Bazzi (for Creative) submits:

"We note that when we submitted Form TM8 on 5 January 2023, we submitted three additional pages (as the form allowed) consisting of photographs that described our starting line of products. (These products were not the only ones of interest to us under the trademark, but rather a starting point.) The Tribunal office did not accept the submission of these additional pages with the TM8

Form, and we were asked to remove these pages from the amended TM8 Form that was submitted in June 2023.”

11. He concludes that the parties should bear their own costs, but in the event a cost award is made, he further submits that Creative incurred costs in defending their POWER RIDER trade mark, with particular regard to Razor’s bad faith claim, which failed. He says:

“In the process of defending again[st] the cancellation application, and especially the bad faith argument, we devoted at least 40 hours of time. At a rate £500 per hour, we request the awarding of costs totalling £20,000 for this effort.”

12. Tribunal Practice Notice 1/2023 says the following, with regard to costs above the usual scale:

“5. Notwithstanding the published scale, the Tribunal retains the discretion to award costs ‘off the scale’ to deal proportionately with unreasonable behaviour. It is not possible to set out all the circumstances in which a Hearing Officer might depart from the scale. It is worth clarifying though that just because a party has lost, this in itself is not indicative of unreasonable behaviour. Some examples of what might constitute unreasonable behaviour include a party seeking an (avoidable) amendment to its statement of case which, if granted, would cause the other party to have to amend its statement or would lead to the filing of further evidence. Other examples include behaviour designed to delay, frustrate or unreasonably increase the costs/burden on the other party and/or repeated breaches of procedural rules. Off-scale costs may also be awarded if a losing party unreasonably rejected efforts to settle a dispute before an action was launched or a hearing held, or unreasonably declined the opportunity of an appropriate form of Alternative Dispute Resolution.

6. The level of off-scale costs will, generally speaking, be commensurate with the extra expenditure a party has incurred as a result of the unreasonable behaviour. Any claim for costs approaching full compensation or for “extra costs” will need to be supported by a bill itemizing the actual costs incurred. There may be some circumstances where costs below the minimum indicated by the published scale are awarded. For example, a party who does not follow

a suggestion from the Hearing Officer as to the most efficient means of managing the case, may only be entitled to whatever award they would have received if they had followed the Hearing Officer's suggestion.”

13. In short, Razor claim that the way in which Creative chose to run its cases led to additional expense for Razor.

Conclusions

14. I agree that Creative should have identified its goods, which it claimed were similar to Razor's goods, for the purposes of its opposition. Creative failed to do this, despite three letters from the Tribunal asking for clarity on this point. I also find that Creative's failure to identify the goods in which it had an interest necessitated cross-examination by Razor at the hearing.

15. I am not persuaded by Mr Bazzi's submission that the photographs filed with Creative's defence would have answered this point, had they not been refused by the tribunal. Evidence cannot be filed with a defence. Creative was able to file such evidence in the period allowed for the filing of evidence and it did not do so, nor did Creative identify their goods of interest in submissions, at any point during these proceedings.

16. That said, a poorly run case does not give rise, prima facie, to an award of costs off the scale. As I said in the substantive decision on these cases, Creative has clearly misunderstood the trade mark system, but failure to identify the goods that were similar to Razor's goods would not have caused considerable additional work for Razor. The specification was not long and most of the goods (later abandoned by Creative) were so clearly dissimilar that no lengthy comparisons were necessary. That said, there were some broad terms which were relevant and required additional preparation in submissions and in advance of the hearing and I will bear this in mind.

17. I agree that Razor should be considered the successful party as Creative's specification for its trade mark was significantly reduced and the opposition against its trade mark failed as a result. Razor is entitled to an award of costs, but this will be on the usual scale, having regard to the way in which the cases were conducted.

The cost award

18. Rule 67 of the Trade Mark Rules 2008 gives the registrar the power to award costs. Tribunal Practice Notice (TPN) 2/2016 provides the relevant scale for these proceedings. Scale costs are intended to provide a contribution towards the cost of proceedings, not to provide full compensatory costs.

Preparing a statement and considering the other side's statement x 2	£500
Preparing evidence and considering and commenting on the other side's evidence	£800
Preparing for and attending a hearing	£1100
Filing the invalidation	£200
Total	£2600

19. I order Creative to pay Razor the sum of £2600. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Status of this decision

20. This is a final decision. The period for appeal against my substantive decision BL O/0889/24 and this costs decision starts from the date shown below.

Dated this 31st day of October 2024

AI Skilton
For the Registrar,
The Comptroller-General