

O-456-16

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3045635 BY ADBRUF LTD

TO REGISTER StoneRez IN CLASS 2

AND

OPPOSITION No. 402455 BY STONCOR GROUP, INC.

Decision on costs

1. I issued an interim decision in these proceedings on 28th July in which I found that the opponent had acted unreasonably by filing evidence-in-chief covering more than 2000 pages of exhibited material that was poorly organised, duplicative, insufficiently explained in the witnesses' statements, and often irrelevant because the material did not clearly relate to a relevant market and/or a relevant date. I noted that it would almost certainly have taken the applicant longer (and cost more) to analyse and assess the material for potential relevance than it cost the opponent to put it together. I therefore accepted the applicant's complaint that the opponent's behaviour was oppressive.

2. At a case management conference ("CMC") held on 24th March I issued directions, at the applicant's request, that the opponent should better identify its 'family of marks', identify its 'best case' earlier mark/right and provide a schedule setting out which pages of the evidence showed that that the relevant earlier marks/rights were present on the UK market at the relevant date.

3. The opponent did not fully comply with the directions.

4. I therefore indicated that I would entertain a request for compensatory costs to cover (only) the reasonable cost incurred by the applicant after the CMC on 24th March 2016 in assessing and evaluating the opponent's evidence, including its evidence in reply. I said that other costs, including the cost of the three CMCs held on this case, and the substantive hearing, would be assessed on the basis of the usual scale.

5. I gave the applicant 21 days from the date of the interim decision to provide a breakdown of the hours spent by its legal representatives on the work specified in the previous paragraph, and the resulting cost to the applicant.

6. I gave the opponent 14 days from the receipt of the applicant's request to provide any comments on the reasonableness of the time the applicant claims for this work.

7. I subsequently received the following breakdown of the opponent's relevant costs, which came to £4549.80.

For the period 23 March 2016 – 15 June 2016		
Description of work done	Time spent and hourly rate	Charge
Review, consider and prepare comments on other party's evidence and submissions; advising Adbruf	0.75 hours @ £355 5.80 hours @ £295	£1,977.25
Review Stoncor's evidence during preparation of skeleton argument	2.15 hours @ £295	£634.25
Review and mark up evidence prior to hearing	4 hours @ £295	£1,180
SUB-TOTAL		£3791.50
VAT @ 20%		£758.30
TOTAL		£4,549.80

8. The applicant filed no submissions on the applicant's claim for costs. I take this to mean that it does not contest the reasonableness of the amount of time that the applicant's representatives spent evaluating the opponent's evidence after 24th March 2016.

9. There is no doubt that the Registrar has the power to award reasonable costs. Rule 67 of the Trade Marks Rules 2008 provides as follows:

“Costs of proceedings; section 68

67. 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.”

10. I will firstly assess those costs that fall to be paid based on the usual scale. Applying the scale, I find that the applicant is entitled to an award of £2400 made up of the following costs.

Considering the Notice of Opposition and filing a counterstatement

Taking into account the length of the notice of opposition and the exceptionally high number of earlier marks and rights relied upon, I find that the applicant is entitled to the scale maximum award, i.e. £600

The first two CMCs

The first two CMCs were essentially about suspensions of the proceedings for negotiations. I find that each side should bear its own costs for these.

Assessing the opponent's evidence prior to 24th March 2016

Prior to this date the parties were mostly focused on settlement. However, the applicant had plainly undertaken an initial analysis of the opponent's evidence, which led to its request for directions that it be better explained and referenced. I will allow the applicant £300 towards the cost of this work.

The third CMC

The third CMC was triggered by the applicant's request for the directions described above. The applicant was successful. The request would not have been necessary if the opponent had taken a more focused approach to its case and its evidence. I will allow the applicant £200 towards the costs of this CMC.

The applicant's evidence

The applicant's evidence was fairly light. I will allow the applicant £500 towards the cost of filing evidence.

The hearing

The substantive hearing lasted about half a day. I will award the applicant £800 towards the cost of the hearing.

11. In accordance with paragraph 6 of Tribunal Practice Notice 4/2007, my intention is to compensate the applicant for the extra costs it has incurred as a result of the opponent's unreasonable behaviour. The applicant would have had to spend some of the time set out in the above schedule, even if the opponent had filed its evidence in a suitable form and/or fully complied with the directions. Further, I will also make some allowance for the fact that the opponent made some attempt to comply with the directions, albeit a half-hearted one. I will therefore allow the applicant £3000 towards the cost of evaluating and reviewing the opponent's evidence after 24th March 2016.

12. This means that the applicant is entitled to an award of costs amounting to £5400 in total.

13. I therefore order Stoncor Group, Inc. to pay Adbruf Limited the sum of £5400. This sum should be paid within 14 days of the end of the period allowed for appeal or, if there is an appeal (and subject to the orders or directions of the appellant tribunal), within 14 days of the conclusion of the appeal proceedings.

Final decision

14. My decision of 28th July 2016 is now a final decision as regards the substantive matters covered by the opposition.

15. The period for appeal against that decision, and my decision on costs, runs from the date shown below.

Dated this 29th day of September 2016

**Allan James
For the Registrar**