

O/0239/26

TRADE MARKS ACT 1994

SUPPLEMENTARY DECISION ON COSTS

IN THE MATTER OF APPLICATION NO. 3694874
BY PARABOLICA LTD
TO REGISTER THE FOLLOWING TRADE MARK:

TESLA

IN CLASSES 12, 25 & 28

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 432487

BY

TESLA, INC.

Background

1. On 11 February 2026, I issued a decision on behalf of the Registrar of Trade Marks under number O/0106/26 in which I upheld an opposition brought by Tesla, Inc. (“the Opponent”) against the aforementioned application no. 3694874 filed by Parabolica Ltd (“the Applicant”) in that I found that the application was made in bad faith.
2. Consequently, the ground of opposition under section 3(6) succeeded in full and the application was refused registration in its entirety.

Costs

3. The above decision was provisional until such time as the issue of costs was finalised. In relation to costs, I set out the position as follows:

“64. The Opponent has been successful and is entitled to an award of costs in its favour. Mr Norris on the Opponent’s behalf indicated that it wished to make an application for an off scale costs award if it succeeded in its opposition and invited me to reserve my position on costs so that it could file submissions. I note that Mr Norris intimated that the basis of the request for off scale costs was because of Mr Auer’s conduct in filing the trade marks, his request to have me recused from the proceedings in relation to the Tribunal’s approach as to the relevant date with which he disagreed and his history of abusing the trade mark system.

65. When considering an award of costs, I am mindful of the fact that the purpose of an order is not to impose a financial penalty on the losing party and any award should reflect the effort and expenditure to which it relates. After all a costs order is contributory not compensatory.

66. Section 68 and Rule 67 provide me with wide discretion to award costs. As Anthony Watson Q.C. stated in *Rizla*, when considering a very similar provision under the Patents Act 1977:

“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.”

67. In so far as off scale costs are concerned, they are not automatic even where there is a finding of unreasonable behaviour. It has to be noted that 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 such behaviour. Rather, as stated in *Rizla*, the question is whether "the behaviour in question constituted such exceptional circumstances that a standard award of costs would be unreasonable." This must be assessed taking into account all the relevant factors. Therefore, although I made a finding of bad faith it does not necessarily mean that an off scale costs award will follow. It has to be remembered that the assessment of bad faith is taken as at the filing date of the trade mark application whereas whether the conduct is deemed unreasonable must be in the context of conduct throughout the duration of the proceedings. *Rizla* also underlines that the correct question for determining costs is whether the conduct is so exceptional that an award on the standard scale is unreasonable.

68. Whilst Mr Auer's persistent claims for legal aid, for me to be recused, requests to adjourn and extensions of time did cause some delay and frustration, the delay in my view was not excessive when taken across the proceedings as a whole and mainly these issues were for the most part curtailed to the Tribunal's management of the case rather than something that overly affected the Opponent. Against this backdrop therefore my initial view is that I do not consider that the Applicant's conduct was exceptional to warrant an award of costs off scale.

69. That being said, even though I consider that the award of costs can be determined as on scale, I recognise that the limits of the scale should not necessarily be constrained by the ordinary normal limits of the published scale but adapted to reflect the work undertaken to prepare, produce and review the large volume of evidence and submissions in relation to this case. Consequently, although my initial view is that I do not consider it reasonable to award off scale costs, I nevertheless consider that it is reasonable to award costs at the higher end of the published scale, not for reasons of fully compensating the Opponent but, rather, in order to award, what I believe to be

an appropriate contribution to their costs and to reflect the work required to prosecute the case and to produce and consider the evidence/submissions filed.

70. Despite this initial view I am aware that I have given this indication without the Opponent having the opportunity to file submissions on the matter. I do so in the full knowledge that further time and money would need to be taken to file submissions together with a breakdown of the work undertaken and therefore give this indication in order to avoid any further unnecessary costs being incurred. In light of Mr Norris' submissions at the hearing, I will reserve my position on costs and allow the Opponent, if it so chooses, the opportunity to make submissions.

71. Consequently, the above decision concludes my determination of the substantive issues in these proceedings. It will take effect as a decision when the question of costs is decided, and at that point but not before, the provisions relating to the right of appeal will come into operation. In line with the Opponent's submissions at the hearing, the parties are invited to make submissions as to the costs of these proceedings as per the following directions:

Directions

1. I direct that within 14 days of this decision, the Opponent files its submissions on costs together with any detailed breakdown, if it maintains its position in pursuing an off scale costs award. In light of my comments above, if the Opponent chooses not to pursue its request for off scale costs, then the remaining directions are not applicable and I will proceed to make a costs award in accordance with the scale as set out under TPN 1/2016.
2. If the Opponent files submissions on costs I direct that the Applicant is given 14 days thereafter to file submissions in reply on costs.
3. I direct that if the parties file submissions, they are to be no longer than 2 pages in length."

4. I subsequently received confirmation from the Opponent by way of email dated 24 February 2026 that in light of my comments it was not pursuing an off scale costs award and sought costs on scale at the upper end, on the following basis:

- *“The unreasonable conduct of the Applicant in the proceedings led to the Opponent having to incur unnecessary costs and time delays as set out at paragraphs 68 and 69 of the attached decision. For example, the Applicant made:*
 - *persistent claims for legal aid on 27 June 2023, 11 January 2024 and 22 March 2024; and*
 - *requests for the recusal of the Hearing Officer on 16 January 2024 and 2 February 2024.*
- *The Opponent also had to attend an avoidable CMC about the Applicant’s late filed defence.”*

5. In light of my directions, I did not receive any further submissions from the Applicant.

6. Taking these matters into account and my previous comments as set out at paragraph 69 of my original decision, I award costs in favour of Tesla, Inc. in accordance with Tribunal Practice Notice 1/2016¹ as follows:

Preparing a notice of opposition and reviewing the counterstatement:	£650
Preparing evidence and considering the other side’s evidence/submissions:	£3,500
Preparing for and attending the final hearing:	£3,000
Preparing for and attending the CMC re the late TM8:	£500

¹ The appropriate scale of costs to be applied is as per those contained in TPN 1/2016 given that these proceedings commenced prior to 1/2/2023.

Official Fee: £200

Total: £7,850

7. I, therefore, order Parabolica Ltd to pay Tesla, Inc the sum of £7,850. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Appeal Period

8. The appeal period for both this decision, and my substantive decision issued on 11 February 2026, will run from the date of this supplementary decision on costs.

Dated this 20th day of March 2026

Leisa Davies

For the Registrar