

O/0932/23

TRADE MARKS ACT 1994

SUPPLEMENTARY DECISION ON COSTS

**IN THE MATTER OF TRADE MARK APPLICATION NOS. 3414361,
3414350 & 3516813**

AND

**IN THE MATTER OF THE OPPOSITIONS THERETO
UNDER NOS. 417800-417803, 422302 & 422368 BY
RYDER CUP LIMITED AND RYDER CUP EUROPE LLP**

AND

**IN THE MATTER OF UK TRADE MARK NO. 3409719
REGISTERED BY RYDER CUP EUROPE LLP**

AND

**AN APPLICATION FOR A DECLARATION OF INVALIDITY
THEREOF UNDER NO. 504353 BY
SAMUEL RYDER LTD**

BACKGROUND

1. On 20 July 2022, I issued a decision in these proceedings (BL O/0693/23). The oppositions had been brought by Ryder Cup Europe LLP and Ryder Cup Limited against three trade mark applications by Samuel Ryder Ltd (“SRL”). SRL also applied for a declaration of invalidity against one of the earlier marks relied on by Ryder Cup. In my decision, I explained the relationship between the two parties as follows (with footnote omitted):

“Until 1974, the Professional Golfers’ Association (PGA) was responsible for running the [Ryder Cup] tournament [in Europe]. In that year, the PGA European Tour split off from the PGA and the two organisations ran the tournament through a company called Ryder Cup Limited. Following a restructuring in 2004, Ryder Cup Limited became a wholly owned subsidiary of Ryder Cup Europe LLP, in which PGA and PGA European Tour are majority shareholders. Ryder Cup Limited (“RCL”) owns one of the marks that are relied upon in the oppositions, while Ryder Cup Europe LLP (“RCE”) owns the others. Except where it is relevant, I will refer to the parties together as ‘Ryder Cup’.”¹

2. Ryder Cup was wholly successful in these proceedings, with registration for the applications being refused and the application for a declaration of invalidity against RCE’s mark failing. Ryder Cup indicated that, should it be successful, it would request an award of off-scale costs and so I invited it to file written submissions on costs within 14 days of the date of my decision. SRL would then have 14 days from the receipt of those submissions to file a response.

3. Ryder Cup filed written submissions on 3 August 2023. No response was received from SRL.

4. Section 68(1) of the Trade Marks Act 1994 (“the Act”) is as follows:

¹ Paragraph 4.

“Provision may be made by rules empowering the registrar, in any proceedings before him under this Act-

(a) to award any party such costs as he may consider reasonable, and

(b) to direct how and by what parties they are to be paid.”

5. Rule 67 of the Trade Marks Rules 2008, SI 2008 No. 1797, states that:

“The registrar may, in any proceedings under the Act or these Rules, by order award to any such party such costs as the registrar may consider reasonable, and direct how and by what parties they are to be paid.”

6. Tribunal Practice Notice (“TPN”) 2/2000 sets out the Tribunal’s practice in awarding costs. It states:

“8. Users’ comments taken as a whole supported the general thrust of the present policy based upon fixed reasonable costs, provided that there is flexibility to award costs off the scale where the circumstances warrant it. The Office also believes this is the way to proceed, since it provides a low cost tribunal for all litigants, but especially unrepresented ones and SMEs, and builds in a degree of predictability as to how much proceedings before the Comptroller, if conscientiously handled by the party, may cost them. The present policy of generally awarding costs informed by guidance drawn from a scale will therefore be retained. However, the Office envisages the necessary flexibility as going beyond the criterion of ‘without a genuine belief that there is an issue to be tried’ developed in the *Rizla* case. It is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal appropriately with wider breaches of rules, delaying tactics or other unreasonable behaviour. The fact that this flexibility and the Comptroller’s willingness to exercise it in suitable cases has been the subject of consultation and publicity means that there will have been ‘an established yardstick’ underpinning a change in the previous practice.

9. It would be impossible to indicate all of the circumstances in which a Hearing Officer could or should depart from the scale of costs; indeed it would be wrong to attempt to fetter his or her discretion in such a way. The overriding factor is to act judicially in all the facts of a case. That said, it is possible to conceive of examples. A party seeking an amendment to its statement of case which, if granted, would cause the other side to have to amend its statement or would lead to the filing of further evidence, might expect to incur a costs penalty if the amendment had clearly been avoidable. In another example, the costs associated with evidence filed in respect of grounds which are in the event not pursued at the main or substantive hearing might lead to an award which departs from the scale. Costs may also be affected 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 (ADR). A party's unnotified failure to attend a hearing would also be a relevant factor."

7. TPN 4/2007 updated and supplemented TPN 2/2000. It states:

"5. TPN 2/2000 recognises that it is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour. Whilst TPN 2/2000 provides some examples of unreasonable behaviour, which could lead to an off scale award of costs, it acknowledges that it would be impossible to indicate all the circumstances in which a Hearing Officer could or should depart from the published scale of costs. The overriding factor was and remains that the Hearing Officer should act judicially in all the facts of the case. It is worth clarifying that just because a party has lost, this in itself is not indicative of unreasonable behaviour.

6. TPN 2/2000 gives no guidance as to the basis on which the amount would be assessed to deal proportionately with unreasonable behaviour. In several cases since the publication of TPN 2/2000 Hearing Officers have

stated that the amount should be commensurate with the extra expenditure a party has incurred as the result of unreasonable behaviour on the part of the other side. This 'extra costs' principle is one which Hearing Officers will take into account in assessing costs in the face of unreasonable behaviour."

8. Ryder Cup submits that the behaviour of SRL justifies an award of off-scale costs. It has therefore provided me with a schedule of costs incurred during the course of these proceedings.² It shows the hours billed per fee earner but does not break this down to show the time spent on particular activities. Ryder Cup invites me to exercise discretion in making an award, although it suggests that an appropriate sum would be around 60% of actual costs.

9. Should I decide not to award off scale costs in this matter, Ryder Cup submits that it should be awarded a sum amounting to seven times standard scale costs, to reflect the fact that these proceedings involved the consolidation of seven separate matters.

10. Ryder Cup's criticisms of SRL's behaviour focus on the following:

- SRL's request that Ryder Cup prove that it had used all the earlier marks caught by the proof of use provisions of section 6A of the Act for all the goods and services relied on;
- numerous requests for extensions of time during all the stages of the proceedings;
- the bringing of a bad faith claim that, in its view, never had any legitimate basis; and
- SRL's failure to pay costs awards in other trade mark proceedings

The proof of use request

11. Ryder Cup was put to proof of use for a large number of goods and services, as a result of which it was permitted to file evidence that exceeded the Tribunal limits of 300 pages for evidence in chief. It submits that this increased the costs it incurred. I

² Annex 1.

have been referred to the decision of another Hearing Officer in *HUQQA Trade Marks*, BL O-189-16, as an example of a case in which one party had maintained a position that led to considerable additional work on the part of another and so off-scale costs were awarded. This case is not, however, on all fours with the present proceedings. In the earlier case, the losing party had made clearly false statements. I do not consider that the same applies here.

12. In my view, SRL was entitled to put Ryder Cup to proof of use. While this might have seemed vexatious to Ryder Cup, I consider that it was not unjustifiable, particularly in the case of the items of merchandise in Classes 9, 14, 25 and 28. That said, the breadth of SRL's specifications meant that Ryder Cup needed to rely on a larger number of goods and services. I have more sympathy with Ryder Cup's submissions when it comes to the requirement to show use of the marks in relation to the *Running of golf tournaments*. However, the schedule of costs does not distinguish between different activities or stages in the proceedings and so I am unable to see what costs can be attributed to the gathering and presentation of evidence.

13. The scale of costs for this stage of proceedings ranges from £500 to £2200, and Tribunal Practice Notice No. 2/2016 states that the award could be higher than this in exceptionally large cases. I consider this to have been a very large case. When calculating what an appropriate award, I have borne in mind the fact that these proceedings involved six oppositions and a cancellation, although it must also be noted that the number of oppositions is a reflection of the corporate structure of the organisations responsible for running the Ryder Cup in Europe, and the ownership of the associated intellectual property rights. The number of marks for which use needed to be shown was relatively small (2), although I accept that the specifications were broad and that Ryder Cup had also to adduce evidence to establish its bad faith claim. On this basis, I consider that awarding a sum that represents standard scale costs multiplied by seven would not be appropriate, particularly as four of the actions had been consolidated before evidence had been filed. I award the sum of £4000 as a contribution to the costs of preparing evidence and considering and commenting on the other side's evidence.

Requests for extension of time

14. The table below shows the requests that have been made for extensions of time during these proceedings:

Date	Details
28 July 2020	Following the end of the period of COVID-related interrupted days, SRL requested an extension of time for filing evidence until 31 November 2020. This request was supported by Ryder Cup. An extension until 30 October 2020 was granted.
28 October 2020	Ryder Cup requested a further extension of two months. This was followed two days later by a request for the same extension from SRL. The request was granted.
16 December 2020	Ryder Cup requested a further extension until 28 February 2021. This was followed on 23 December 2020 by a request for the same extension from SRL. The requests were refused, and a Case Management Conference (CMC) was held on 21 January 2021. Only Ryder Cup attended. Ryder Cup was given an extension until 1 March 2021. As SRL did not attend the CMC, it was deemed not to have contested the preliminary view to refuse the request for an extension of time.
1 March 2021	Ryder Cup requested a further extension of 4 days.
4 March 2021	Ryder Cup filed evidence in chief.
15 June 2021	Following further consolidation of cases, Ryder Cup sought an extension of time of 1 week to file evidence. This was granted.
21 September 2021	SRL's new representatives requested an extension of three months until 15 December 2021. An extension of two months was granted.

Date	Details
13 January 2022	Ryder Cup requested an extension of time of 6 weeks to file evidence in reply. An extension until 10 February 2022 was granted.

15. It can be seen from this table that there is only one occasion on which SRL requested an extension of time where Ryder Cup had not also requested an extension. That occasion coincided with the appointment of new representatives. Consequently, I consider that the delay caused solely by SRL to these proceedings amounted to two months, has not been significant in the context of the proceedings as a whole, and was based on reasons that persuaded the Tribunal to exercise its discretion in SRL's favour. I do not see evidence from these proceedings that SRL has sought to keep proceedings pending for as long as possible. The first requests by both parties were, it must be remembered, made in the context of the COVID pandemic. I find that it has not been established that SRL behaved unreasonably in requesting extensions of time to file evidence, even where no evidence was forthcoming.

The bringing of a bad faith claim

16. Ryder Cup submits that the pleading of a section 3(6) claim is often “a *trigger justification*” for a successful party to make an application for increased costs awards. It may be the case that requests for off scale costs are more frequent in proceedings involving section 3(6) claims than in proceedings that do not. However, even if that is so, I must examine the facts of the particular case before me, and, in particular, focus on the behaviour of SRL.

17. Ryder Cup submits that SRL's claims under section 3(6) never had any legitimate basis and that SRL had failed to discharge the burden of proof upon it. It says that it stated in correspondence with the Registry that SRL had adduced no evidence at all in support of its own allegations of bad faith and that it had not attempted to rebut the evidence adduced by Ryder Cup. I do not consider that the fact that a party has not discharged the burden of proof upon it is necessarily an indication that a claim has never had any legitimate basis. Ryder Cup submits that the bad faith claims against it

added to the costs and time involved, but it has not provided me with any detailed breakdown of the costs and time above what was required for its own bad faith claims against SRL.

18. Ryder Cup then submits that:

“20. ... ‘*Acting Unreasonably*’ in the context of seeking off-scale costs can include the taking of utterly hopeless points, and/or continuing to run with utterly hopeless points, despite having been warned that they are unsupported and/or bound to fail. Yet they are persisted in and not abandoned.”

19. It does not say who is alleged to have warned SRL that the points were unsupported, apart from Ryder Cup itself. Submissions that a case is hopeless or is bound to fail are frequently made by the other side. A failure to abandon a point in the light of such submissions is not necessarily unreasonable. In short, I do not consider that the fact that SRL brought bad faith claims is a justification for off-scale costs.

Failure to pay costs awards in other trade mark proceedings

20. Ryder Cup’s final point is that SRL has failed to pay costs awarded against it in other trade mark proceedings between the parties. I took this information into account when agreeing Ryder Cup’s request for security for costs in these proceedings. I do not consider that it justifies an award of costs off the scale.

Costs award

21. I make an award to Ryder Cup of £8000, which is calculated as follows:

<i>Preparing statements and considering the other side’s statements</i>	<i>£1600</i>
<i>Preparing evidence and considering the other side’s evidence</i>	<i>£4000</i>

<i>Preparing for and attending the main hearing</i>	<i>£1200</i>
<i>Official fees (x6)</i>	<i>£1200</i>
<i>TOTAL</i>	<i>£8000</i>

22. I order Samuel Ryder Ltd to pay Ryder Cup Europe LLP the sum of **£8000**. This sum is to be paid within twenty-one days of the expiry of the appeal period, which I hereby set to begin on the date of this supplementary decision, or within twenty-one days of the final determination of this case if any appeal against my decision is unsuccessful.

Dated this 2nd day of October 2023

Clare Boucher
For the Registrar,
Comptroller-General