

O/1036/23

CONSOLIDATED PROCEEDINGS

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS. 503911 & 504039
TO REVOKE TRADE MARK REGISTRATION NO. UK00003046488**

FOR THE MARKS:

RY4

RY FOUR

(SERIES OF TWO)

IN CLASS 34

OWNED BY

SAMI ASGHAR AND RAFI ASGHAR

**ON THE GROUNDS THAT IT HAS BECOME THE COMMON NAME IN THE
TRADE FOR A PRODUCT OR SERVICE FOR WHICH IT IS REGISTERED**

AND

ON THE GROUNDS OF NON-USE

BACKGROUND AND PLEADINGS

1. The series of marks shown on the cover page of this decision stands registered in the names of Sami Asghar and Rafi Asghar (“the proprietors”) for goods in class 34. The proprietors’ marks were filed on 12 May 2014 and was registered on 20 June 2014.
2. On 10 June 2021, Hangsen Spolka Z.O.O. (the applicant”) applied to revoke the proprietors’ marks under section 46(1)(c) of the Trade Marks Act 1994 (“the Act”). Under this ground, the applicant claims that, as a consequence of acts or inactivity of the proprietors, their marks has become the common name in the trade for a product or service for which it is registered.
3. On 30 July 2021, the applicant filed a further revocation application for the revocation of the proprietors’ marks under sections 46(1)(a) and 46(1)(b) of the Act. Under the 46(1)(a) ground, the applicant claims that the proprietors have not put their marks to genuine use in the UK within the period of five years following the date of the completion of the registration. Under the 46(1)(b) ground, the applicant claims that use of the proprietors’ marks in the UK has been suspended for an uninterrupted period of five years ending with the date of the application at issue. The revocation dates sought under each of the non-use grounds are 21 June 2019 and 30 July 2021, respectively.
4. The proprietors filed counterstatements denying the claims made and, on 6 May 2022, the Registry confirmed that under Rule 62(1)(g) of the Trade Marks Rules 2008 that the proceedings were to be consolidated.
5. The applicant is represented by Murgitroyd & Company and while the proprietors were initially unrepresented, STOBBS IP was confirmed as being their legal representatives via a Form TM33 dated 31 October 2022. Both parties filed evidence. A hearing in this matter was requested and a hearing was listed for 27 April 2023.

6. On 26 April 2023, the proprietors filed a request for a retrospective extension of time alongside additional evidence that it wished to enter into these proceedings. Due to the proximity of this request to the hearing, the hearing went ahead as scheduled with the intention of dealing with the additional evidence as a preliminary issue.

THE HEARING AND SUBSEQUENT EVENTS

7. At the hearing, Mr Julius Stobbs of STOBBS IP was present and acting on behalf of the proprietors and Mr Alan Fiddes of Murgitroyd & Company was present and acting on behalf of the applicant.
8. As a preliminary issue at the hearing, I dealt with the request by the proprietors to file additional evidence. I considered submissions from both parties and ultimately determined that the proprietors' additional evidence could be entered into the proceedings. As a consequence of this additional evidence, I vacated the hearing as I considered it fair and reasonable to allow the applicant time to review the evidence and reply to the same via written evidence or further written submissions. I do not intend to set out my full reasoning for the decision to allow the additional evidence as these were confirmed in full to the parties via written correspondence from the Tribunal on 27 April 2023.
9. The applicant was provided with the opportunity to file evidence or written submissions in reply by 29 May 2023. No such evidence or submissions were filed and, on 8 June 2023, the Tribunal confirmed to the parties that the evidence rounds had now concluded. However, on the same date, the applicant filed a request for an extension to file its evidence. The applicant initially sought an extension of two months but, upon review of the request, I did not deem the reasons sufficient to warrant the granting of the same. However, I did allow for a reduced extension until 6 July 2023.
10. On 5 July 2023, the applicant emailed the Tribunal setting out that it no longer wished to file evidence at that stage and requested a further substantive hearing. A hearing was then listed for 31 August 2023.

11. On 4 August 2023, the applicant wrote to the Tribunal confirming that it wished to withdraw the applications in their entirety. It is noted that the correspondence confirming this set out that the withdrawal was not an admission of any fact or submissions filed on behalf of the proprietors. Further, in regard to costs, the applicant set out that it had been prejudiced by the actions of the proprietors and, therefore, it should be entitled to recover its costs. In response, the Tribunal withdrew the proceedings and confirmed the same to both parties on 8 August 2023. In that same letter, the Tribunal set a deadline of 25 August 2023 by which the parties were to file written submissions regarding the position as to costs. An extension to this deadline was requested by the applicant and, in response, the Tribunal extended the deadline to 8 September 2023.
12. Both parties filed written submissions in respect of costs on 8 September 2023. I do not intend to repeat the entirety of those submissions here but I will summarise them to the extent that I deem necessary below.
13. The applicant's position is that its withdrawal of the proceedings was as a result of the proprietors seeking an indulgence from the Tribunal to allow the additional evidence into the proceedings at such a late stage, i.e. the day before the hearing. The applicant argues that the evidence ultimately filed was something that was available to the proprietors and should have been filed many months prior to the hearings and that the failure to do so as soon as possible resulted in substantial wasted costs in relation to the preparation for the hearing. In light of this, the applicant claims that it has incurred unnecessary and substantial costs that could have been avoided if the proprietors' representatives reviewed the evidence at the correct time (i.e. when they were appointed). As a result, the applicant claims that it should be entitled to recover its costs in line with the normal scale, being Tribunal Practice 2/2016 ("the TPN").
14. Turning to the proprietors' position, I note that this is reliant upon the long-established principle in Tribunal proceedings, namely that payment of a contribution to costs is made in favour of the successful party. While they note that no decision had been made in respect of the merits of the case, they should be

considered the successful party as the actions brought against it were subsequently withdrawn less than a month before the listed hearing date (being the relisted hearing initially scheduled for 31 August 2023). In short, the proprietors argue that, as a result of the additional evidence filed, the applicant was unable to support the arguments it wished to put forward. Instead, the proprietors suggest that the applicant is unable to support its case due to the evidence itself and the proprietors should not be prejudiced because the applicant has now realised that its applications lack merit. The proprietors state that their costs should be recoverable, less any adjustment in respect of the hearing on 27 April 2023. Using the scale set out in the TPN, the proprietors claim the following costs:

Preparing a statement and considering the other side's statement:	£650 per application
Preparing evidence and considering and commenting on the other side's evidence:	£2,200 per application
Preparing for and attending the hearing:	£1,600
Total:	£7,300

15. It is noted that the costs claimed sit at the top end of the published scale of the TPN.

COSTS

16. Section 68 of the Trade Marks Act 1994 and Rule 67 of the Trade Mark Rules 2008 give the Registrar a wide discretion to award costs. As Anthony Watson Q.C. stated in *Rizla Ltd.'s Application* [1993] RPC 365 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.”

17. As set out above, neither party requests costs off the scale meaning that the ordinary cost provisions applies. As these proceedings were commenced after 1 July 2016 but before 1 February 2023, any costs award made is to be on the basis of the scale set out in the TPN, which has already been referred to above when discussing the proprietors’ submissions

18. I appreciate the proprietors’ position in that, as the successful party, it is ordinarily entitled to its costs. However, I do not consider that the issue before me is as straightforward as that. I note that in their submissions on costs, the proprietors argued that because the actions were brought against them and then subsequently withdrawn less than a month before the date listed for the final hearing, it is the successful party and should be awarded costs. While technically correct, this does not paint an accurate picture of the history of this matter. The actions were indeed brought against it but were only withdrawn upon the filing of the late evidence in defence of the 46(1)(a) and (b) aspect of the claim. As such, I do not consider that it is automatically the case that the proprietor should be entitled to a full costs award.

19. In my view (and as rightly argued by the applicant), there is no real reason for the delay between when the proprietors sought legal representation in October 2022 and when it finally filed additional evidence on 26 April 2023 (being just one day before the hearing). Of course, I acknowledge that it is not simply the case that the representatives, upon obtaining instructions, would be in a position to file evidence right away. On this point, I appreciate that time is required to review the proceedings (particularly given that said proceedings had already been running for approximately 16/17 months), determine what is required and then collate, review and prepare the appropriate evidence. That being said, I do not consider that this excuses a delay of approximately seven months, especially as the matter moved towards a final hearing. As a result, I am somewhat in agreement with the applicant

in that the costs in respect of the preparation for the hearing were unnecessary and ultimately wasted.

20. The above being said, this is not the end of the matter and the simple delay by the proprietors is not, in my view, sufficient to result in costs going the other way, i.e. to the applicant. Regardless of the steps that brought the proceedings to their ultimate withdrawal, the proprietors were the successful party in these proceedings and, aside from the delay in filing the evidence, I see no reason to deviate from the established principle of costs being awarded to the successful party. On this point, I appreciate that the withdrawal of the 46(1)(a) and (b) grounds (being those upon which the proprietor relies solely on its use of the marks) was a decision made in response to the filing of more sufficiently solid evidence by the proprietors. However, the 46(1)(c) ground was not reliant on such evidence and I see no reason why the withdrawal of that ground is as a result of any action of the proprietors. Put simply, I see no reason why the 46(1)(c) application could not have proceeded, even in light of the additional evidence filed. As such, I do not accept the applicant's position in that these proceedings were withdrawn solely because of the late admittance of the evidence into these proceedings.

21. In light of the above, I am of the view that the proprietors should be entitled to their costs but that this should be reduced to reflect the issue surrounding the lateness of the evidence filed. In order to accommodate for this, I consider that (notwithstanding the fact that the evidence filed late did not speak to the 46(1)(c) ground) the proprietors should not be entitled to any costs for the hearing. I say this because if the additional evidence filed was introduced at an earlier time, it is likely that the same outcome of a complete withdrawal of both applications would have occurred. I am of the view that it is reasonable to conclude that such a withdrawal would have been at an early enough stage to avoid the costs associated with the hearing. Any subsequent costs post-hearing are, in my view, inconsequential and are not covered by the published scale of the TPN.

22. In considering the level of costs awarded, I do not consider that the proprietors' requested costs are justifiable. I remind myself that, as set out above, the proprietors seek costs of £650 (for filing their counterstatement) and £2,200 (for

filing their evidence) per application. Firstly, these figures sit at the top end of the published scale and, in my view, the documents filed were not particularly complicated and do not warrant costs at the top end of said scale. Secondly, I do not consider it appropriate to find that the costs awarded in respect of these categories should be on a 'per application' basis. I appreciate that the costs for reviewing two applications and filing two counterstatements would have been increased as a result of these proceedings being based on two consolidated applications reliant upon different grounds.¹ Having said that, I repeat what I have said above in that the documents filed are not particularly complicated and do not warrant a doubling of the costs granted. Further, in respect of the evidence filed, I note that it was very light on the 46(1)(c) ground and would not, therefore, justify the granting of the doubling of the costs in any event.

23. Bearing the above points in mind, I consider that any increase in costs attributable to the fact that these proceedings involved two consolidated applications can be accommodated by making one award, albeit for an increased amount that still sits within the scope of the published scale.

24. In the circumstances, I hereby award the proprietors the sum of **£1,000** as a contribution towards its costs. The sum is calculated as follows:

Considering the revocation applications and preparing counterstatements:	£400
Filing evidence and considering the applicant's evidence:	£600
Total:	£1,000

25. I hereby order Hangsen Spolka Z.O.O. to pay jointly the sum of £1,000 to Sami Asghar and Rafi Asghar. The above sum should be paid within 21 days of the

¹ On this point, I note that the 46(1)(a) and (b) grounds involve very similar defences and evidence to one another but are, themselves, wholly different from the 46(1)(c) ground.

expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 3rd day of November 2023

A COOPER

For the Registrar