O/1073/23

TRADE MARKS ACT 1994

COSTS DECISION

IN THE MATTER OF
TRADE MARK APPLICATION NO. 3746845
BY WESTERN POWER SPORTS, LLC
TO REGISTER THE TRADE MARK:

FIRE POWER

IN CLASSES 9 AND 12

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 434800
BY JOHN SUNDERLAND

Background & Pleadings

1. On 24 January 2022, Western Power Sports, LLC ("the applicant") applied to register the trade mark shown on the cover page of this decision in respect of goods in classes 9 and 12. The applicant is currently represented by J A Kemp LLP.

2. On 7 July 2022, Mr John Sunderland ("the opponent") filed a Form TM7. This was initially rejected on 4 August 2022 due to deficiencies with the form. Following this, the opponent amended and re-filed the same on 9 August 2022. The opposition was brought against all the goods of the application on the basis of sections 5(2)(b), 5(3) and 3(6) of the Trade Marks Act 1994 ("the Act"). This was accepted and admitted into proceedings on 10 August 2022. The opponent represents himself, and is, therefore, a litigant in person.

3. On 10 October 2022, the applicant through its then legal representative Debra Lewis of Hoffmann Eitle filed its defence and counterstatement via Form TM8 which was accepted into proceedings on 30 November 2022 setting a deadline of 30 January 2023 for the opponent to file his evidence.

4. On 27 January 2023, the opponent filed his witness statement and supporting evidence. This was rejected due to the format in which it was filed. The opponent re-filed the witness statement and evidence alongside a retrospective extension of time request on 10 March 2023. This was accepted by the Tribunal and admitted into the proceedings on 13 March 2023 and a deadline was set for 15 May 2023 for the applicant to file its evidence.

5. On 15 May 2023, the applicant's current representative wrote to the Tribunal requesting an extension of time. It was confirmed that J A Kemp LLP had taken over as the applicant's legal representative. In light of this, an additional six weeks was requested for the file to be reviewed by the newly appointed representative.

6. Having reviewed the request, the Tribunal wrote to the parties confirming a stay of one month and resetting the deadline for the applicant to file evidence to 15 June 2023.

7. On 15 June 2023, the applicant wrote to the Tribunal confirming its decision to withdraw from the proceedings.

8. On 7 July 2023, the opponent wrote to the Tribunal to request an order for costs.

9. On 19 July 2023, the applicant was informed that the opponent had requested an award for costs and was asked to comment. The Tribunal received no response from the applicant.

10. On 28 August 2023, the Tribunal wrote to the parties informing them of its intention to award costs totaling £300 for preparing and filing the Form TM7 in addition to filing fees.

11. On 29 August 2023, the opponent contested this award which was reviewed by the Tribunal. It was noted that this amount did not include an award of costs for the witness statement and evidence that was filed. Consequently, the Tribunal revised the figure to reflect time taken in preparing the same. As a result, a renewed preliminary costs award amounting to £600 was communicated to the parties on 27 September 2023, giving the parties 14 days to request a hearing if they disagreed with this decision.

12. On 5 October 2023, the opponent wrote to the Tribunal again to dispute the amount.

13. Following this, an interlocutory hearing was scheduled for 26 October 2023.

14. Before the hearing, the opponent was sent a costs proforma which he was instructed to complete, requesting an accurate estimate of the number of hours spent on activities relating to defending the proceedings. A deadline was set for 20 October 2023 to file a completed version. The opponent did so by email on 19 October 2023, which I note the applicant was copied into. The costs proforma is reproduced below:

Tribunal Cost Pro Forma	
Form types	**Time spent in hours/minutes**
Notice of Opposition	20hrs
Notice of Cancellation	
Notice of Defence	
Considering forms filed by the other party	
TOTAL	20hrs

Official fees for the above forms	
TOTAL	£200

Preparing evidence/written submissions and considering and commenting on the other side's evidence/written submissions	
Description of activity	**Time spent in hours/minutes**
Reading IPO guides/notes and research	20hrs
Compiling witness statement/evidence submitted 27/01/23.	40hrs
Amending and re-submitting statement/evidence 10/02/23 inc TM9R form (cost £100)	5hrs
TOTAL	65hrs

Preparing for a hearing	
Description of activity	**Time spent in hours/minutes**
Preparation for interlocutory hearing scheduled for 26/10/23	4hrs
TOTAL	

Other Expenses	
Description of activity	**Time spent in hours/minutes**
Emails, phone calls, seeking legal advice and seeking advice from the IPO	20hrs
TOTAL	109hrs

15. On 24 October 2023, the Tribunal sent a further email to the applicant's representatives requesting confirmation of its attendance. No response was received by the Tribunal.

Hearing

16. The interlocutory hearing took place via a video link. In attendance at the hearing was the opponent, who represented himself.

17. On the understanding that the applicant's representative would not be attending the hearing. I began by explaining the amount that self-represented parties known as litigants in person were able to claim per hour for time reasonably taken to complete tasks that were deemed as recoverable. Following this, I guided Mr Sunderland through the form indicating what I believed to be a reasonable time taken for the tasks at hand and explaining that certain activities claimed, such as, submitting a retrospective extension of time to file his own evidence, preparing for, and attending the interlocutory hearing, and emails, calls and advice under 'other expenses' were not recoverable.

18. As I was nearing the end of the costs proforma, a gentleman who identified himself as Aaron Newell appeared on screen. He explained that he was the applicant's legal representative and apologised for his lateness, explaining that there was an administrative error. It was highlighted that the Tribunal had chased him via email prior to the hearing and no response was received. By way of an explanation, he again reiterated that this was due to an administrative error but gave no further details as to the nature of this error. For the benefit of Mr Newell, a brief summary

was provided of the number of hours that I had indicated were reasonable for recoverable activities so far, before returning to address the remaining activities on the costs proforma.

19. On completion, I summarised the total hours I believed reasonable for the recoverable tasks and the total costs to be awarded.

20. At this stage, Mr Sunderland enquired about off scale costs. I confirmed that generally they were awarded where a party acts unreasonably, and that unreasonable behaviour causes the other party to spend additional time on the proceedings.

21. As evidence of unreasonable behaviour, Mr Sunderland pointed towards his previous claim that the application was made in bad faith in the knowledge that the opponent held the FIREPOWER ENGINEERING trade mark within the same class. Therefore, the applicant knew that it would be challenged and would not succeed, as evidenced, he claimed, by the withdrawal of the application. Mr Sunderland argued that these facts showed that the whole process was designed to cost him time and money. He further explained that he had spoken to the previous attorney acting for the applicant and not only were they aware of his trademark, but they offered him £5,000 to relinquish it which he refused. Following this, he firmly believes the applicant has weaponised the IPO against him for the failure to accept its offer. He stated that as a result of these proceedings the development of his business had been held up by one to one and a half years which cost him tens of thousands.

22. Following Mr Sunderland's submissions on the matter of off scale costs, I turned to Mr Newell for his comments. Mr Newell expressed that if an off scale costs award was to be sought it should have been made clear from the outset with supporting evidence. Mr Newell said that he was unaware of a £5,000 offer. At which point Mr Sunderland interjected to convey that Mr Newell was lying as he had told Mr Newell about the offer and tensions began to rise. I paused Mr Newell's submissions to communicate to the parties that although tensions may be high, in order for both parties to be heard fairly on the matter, each must have an opportunity to give their submissions uninterrupted. I instructed them to make a note of any point(s) that

they disagreed with and I assured them that I would return to the parties to hear any additional points either side wished to make. Following this brief interval, I returned to Mr Newell to hear the rest of his submissions on off scale costs. Mr Newell, reiterated that there was no indication that Mr Sunderland was going to seek an off scale costs award. Further, there had been no allegation of unreasonable conduct meriting an award off scale. If an off scale award was to be sought there should have been evidence filed with skeleton arguments ahead of the hearing. Mr Newell repeated that he was not privy to the offer made and confirmed that he was unaware of the circumstances surrounding that offer, however, suggested, if one was made it would be reasonable to infer that it was made on a without prejudice basis. Mr Newell stated that prior to this opposition the applicant opposed an application filed by Mr Sunderland, he submitted in those proceedings there is a file note from the attorney that represented Western Power Sports at that time. It is claimed the file note refers to a discussion between the parties where Mr Sunderland stated he did not believe that the two trade marks at issue were likely to be confusing. Subsequently Western Power Sports, withdrew their opposition of Mr Sunderland's current trade mark and made its application which was later opposed. Mr Newell stated that in addition he was involved in an offer from Mr Sunderland to resolve the matter that was declined. Consequently, the parties reached an impasse in negotiations and the applicant withdrew. Mr Newell emphasised that none of these dealings are unreasonable, nor was it conduct designed to cost anyone money. Indeed, Mr Newell highlighted that it was Mr Sunderland that approached the applicant on several occasions to resolve the matter. Mr Newell, considering his copy of the costs proforma, pointed to the number of hours and suggested that if Mr Sunderland had engaged an attorney this would have taken far less time and inferred that if anyone was acting unreasonably it was Mr Sunderland in his assessment of costs.

23. I returned to Mr Sunderland for his response. He claimed that Mr Newell would have known prior to today's hearing of his belief that the applicant's behavior was unreasonable as it was expressed in the Form TM7 and witness statement. In contrast to Mr Newell's submissions, Mr Sunderland confirmed that the last conversation he had with Debra Lewis, (the applicant's previous representative) was that there could not be two people in the UK making parts for motorcycles

using the same name and denied that he had stated that they were not similar or confusing.

24. Although the opponent had previously expressed the applicant had acted in bad faith, given that off scale costs were specifically mentioned for the first time at the hearing, I gave Mr Newell a second opportunity to respond to any points, confirming that this was the applicant's opportunity to respond. I confirmed with Mr Newell that there was no additional evidence he wished to put before the Tribunal before I reached my decision on off scale costs. Mr Newell highlighted that the burden was on the opponent to prove that he was entitled to an off scale award, not for the applicant to show that he wasn't, and reiterated that this was the first time the matter had been raised and that there was no supporting evidence other than what had already been filed within the course of these proceedings.

25. Before the end of the hearing, Mr Sunderland asked whether my decision was appealable, I confirmed that it was, and he indicated that he would appeal if an award was given using the scale as he considered that to be too low for the amount of time he had spent on the proceedings.

26. I reserved my judgement.

DECISION

Legislation and guidance

27. Section 68 of the Act reads as follows:

"(1) 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. […]"

28. This is confirmed under Rule 67 of the Trade Marks Rules 2008 which provides:

"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 what parties they are to be paid."

29. 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 Tribunal Practice Notice 2/2016. Typically, costs are to be awarded on a contributory rather than compensatory basis, meaning that they provide a contribution to the winning parties overall costs rather than fully covering them. TPN 2/2016, at Annex A, sets out the scale of costs applicable for tasks that are recoverable. It should be noted that a person who represents themselves, which is commonly referred to as a litigant in person, are entitled to a standard rate of £19 per hour for time reasonably spent on recoverable activities in line with part 46 of the Civil Procedure Rules.[1] However, the amount awarded for tasks should not usually exceed that of the scale. Annex A is set out below.

Task	**Cost**
Preparing a statement and considering the other side's statement	From £200 to £650 depending on the nature of the statements, for example their complexity and relevance.
Preparing evidence and considering and commenting on the other side's evidence	From £500 if the evidence is light to £2200 if the evidence is substantial. The award could go above this range in exceptionally large cases but will be cut down if the successful party had filed a significant amount of unnecessary evidence.

[1] Rule 46.5(4)(b), Practice Direction 46.5 paragraph (3.4).

Preparing for and attending a hearing	Up to £1600 per day of hearing, capped at £3300 for the full hearing unless one side has behaved unreasonably. From £300 to £550 for preparation of submissions, depending on their substance, if there is no oral hearing.
Expenses	(a) Official fees arising from the action and paid by the successful party (other than fees for extensions of time). (b) The reasonable travel and accommodation expenses for any witnesses of the successful party required to attend a hearing for cross examination.

30. TPN 2/2016 updates and supplements TPN 4/2007 and TPN 2/2000. These earlier TPN's discuss that in certain circumstances it may be appropriate to award costs off scale and highlight instances when this may apply. The relevant sections of TPN 4/2007 are copied below:

> *"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 a 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.

7. Any claim for cost approaching full compensation or for "extra costs" will need to be supported by a bill itemizing the actual costs incurred.

8. Depending on the circumstances the Comptroller may also award costs below the minimum indicated by the standard scale. For example, the Comptroller will not normally award costs which appear to him to exceed the reasonable costs incurred by a party.

31. Further, insofar as it is relevant, paragraphs 5.2 and 5.6 of the Tribunal Section in the Manual reads as follows:

"5.2 Unrepresented parties

Unrepresented parties generally incur lower costs because they do not have to pay legal or other professional fees. If the scale of costs were applied to unrepresented parties, they might receive costs in excess of what they may reasonably have incurred, which would undermine the contribution-not-compensation approach and the indemnity principle. Therefore, unless a Hearing Officer directs otherwise, unrepresented parties will be sent a proforma at the end of proceedings inviting them to set out the number of hours spent on the various steps of the proceedings.

If an award is to be made in favour of an unrepresented party, Hearing Officers will consider the information provided when determining the sum to be awarded. The number of hours claimed will not, however, be binding on Hearing Officers,

who will continue to assess whether the time spent was reasonable in the circumstances of the case and who will retain a residual discretion in any event.

The sum to be awarded per hour will be analogous to that set out in the Civil Procedure Rules, Part 46, which is currently £19 per hour. The total amount awarded should, though, not exceed the maximum amount payable on the scale of costs (unless off-scale costs are sought). If the unrepresented party does not complete and return the proforma, no costs award will be made save in relation to official fees (except fees for extensions of time).

[…]

5.6 Costs off the scale

Depending on the circumstances, the Tribunal may also award costs below the minimum indicated by the standard scale. For example, the Tribunal will not normally award costs which appear to exceed the reasonable costs incurred by a party.

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.

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.

Off scale costs

32. I have carefully considered both parties' comments, evidence/correspondence, and submissions. It appears that the applicant had previously filed a Form TM7a, threatening opposition when the opponent applied for his FIREPOWER ENGINEERING mark,[2] but for whatever reason it did not launch opposition proceedings, and consequently the opponent's mark was successfully registered. I also note that there are emails sent from John Sunderland to the applicant's initial representative (Debra Lewis) attaching photos of the opponent's trade mark used on some of his goods, these are dated days prior to the applicant making its application. He also claims in his narrative evidence that he was offered £5,000 to help with the cost of rebranding and re-manufacturing goods, which he confirms he refused as it would not have covered the costs.[3] Mr Sunderland relies on all these points when claiming in his witness statement that, *"The application of the opposed trademark is an attempt to test my resolve, deplete my resources and bully me, I believe it is outside the spirit of the trademark application process."*[4] As I understood it, at the hearing it was this prior knowledge of his earlier trade mark that demonstrates the applicant acted in bad faith, and therefore, acted unreasonably within these proceedings entitling the opponent to off scale costs.

[2] Exhibit JS14
[3] Witness statement of John Sunderland, page 3
[4] Ibid

33. However, I observe that reference is made (within the applicant's extension of time request) to possibly pursuing a challenge to the opponent's mark on the basis that the applicant had been using the mark prior to the registration of the opponent's rights. With these considerations in mind, it appears that even though the applicant may have been aware of the opponent's registration at the time of making its application, it held a genuine belief that there was merit in its defence, prior to its withdrawal. Further, in relation to the offer of £5,000, I accept that in the course of these proceedings there have been legitimate attempts to negotiate and establish a common solution acceptable to both parties. This is evident from the chronology of the proceedings, the facts and evidence of the case at hand, and the juxtaposition of the parties' submissions. Whilst I understand the opponent's frustration in having to protect his earlier registered rights, I do not consider that any unfair treatment was suffered as a result of the applicant's behaviour. Further, I do not consider the applicant to have caused any unreasonable delays within these proceedings. Indeed, the only request for additional time was when the applicant changed representatives, and this appears to have led to a withdrawal. Although I acknowledge that the opponent is rightly entitled to an award of costs, I do not find merit in any allegations to justify off scale costs. The applicant's behaviour has not been unreasonable to warrant anything other than on-scale costs for the applicant.

Costs on the scale

34. Having concluded that there is nothing to suggest that an off scale award of costs is appropriate, I am guided in this decision by the legislation and guidance above. I also take into account Mr Hobbs' QC (as he then was) comments in *Amaro*:[5]

> "17. […] an award of costs is required to reflect the effort and expenditure to which it relates without inflation for the purpose of imposing a financial penalty by way of punishment on the paying party. The determination of a 'reasonable' amount to award must depend on the nature and circumstances of the case at hand." (My emphasis added)

[5] O/257/18

Forms

35. I accept that the applicant, as a litigant in person, has spent time familiarising himself with the relevant law and issues of the case prior to launching these opposition proceedings and during the evidence stage. Additionally, I accept that an unrepresented party would take longer to prepare and consider documents than a solicitor or trade mark attorney. However, I do not consider the notice of opposition to be particularly complex. Furthermore, the filed opposition is not particularly extensive as all the information is provided within the Form TM7 itself and there is no additional attached statement of grounds in support. Therefore, in this context, 20 hours claimed for preparing and filing the notice of opposition, strikes me as disproportionately high for the task undertaken. Given the nature of the notice of opposition, instead I consider it reasonable to award the applicant 6 hours for this activity, which includes research time.

36. I note that the opponent did not include time taken to consider the applicant's defence, following discussions at the hearing, time taken for this appears to have been included within the time spent on the notice of opposition. Therefore, for this activity I award an additional 2 hours.

Preparation of evidence

37. The opponent has claimed 20 hours for time "*reading IPO guides/notes and research*". I have built time for this activity into the preparation and filing of documents, such as, the notice of opposition and the evidence/witness statement.

38. For "*compiling witness statement/evidence submitted*" the opponent has claimed 40 hours. Whilst I have no reason to doubt the number of hours it is claimed to have taken the opponent, it strikes me as disproportionately high for this activity. The witness statement was brief, totaling just 4 pages. The evidence consisted of 14 exhibits, predominantly each a page, with the exception of exhibits JS9 and JS11. The evidence contained mostly screenshots from YouTube, eBay and other social media platforms. In addition to these screenshots, there are emails and a

copy of a threatened notice of opposition (both discussed above). Altogether the exhibited evidence amounts to 16 pages. Taking into consideration the nature and extent of this evidence, (including the witness statement) I consider it reasonable to award 8 hours. This includes a generous amount of time for reading and research of any guidance or notes in preparation.

39. The opponent has also claimed 5 hours for "*amending and re-submitting statement/evidence 10/02/23 inc TM9R form (cost £100)".* However, this benefited the opponent, as if it was not filed, he would not have been able to rely on his witness statement and accompanying evidence. Consequently, this is not a recoverable activity.

Preparing for a hearing

40. For *"Preparation for interlocutory hearing scheduled for 26/10/23"* the opponent has claimed 4 hours. However, as this hearing was requested by the opponent time taken for this activity is not recoverable.

41. I note that at times, a deduction in costs may be appropriate to reflect a situation where a party requests a hearing to challenge a decision, leading to the other sides attendance, but they are unsuccessful. However, on this occasion as the applicant did not indicate to the Tribunal that they would be attending, and attended late, it is not necessary for me to consider.

Other expenses

42. Finally, the opponent has claimed 20 hours for *"Emails, phone calls, seeking legal advice and seeking advice from the IPO"*, these are not listed as recoverable activities on the scale, as such no award can be made in respect of these.

Overall conclusion on costs

43. In relation to the hours expended, I note that The Litigants in Person (Costs and Expenses) Act 1975 (as amended) and the Civil Procedure Rules, Part

46, set out the minimum level of compensation for litigants in person in court proceedings at £19 per hour. As discussed above, I see no reason to award anything other than this. I therefore award costs to the opponent on the following basis:

Form TM7 fees	£200
Preparing and filing Form TM7 (including time for reading and research) (6 hours x £19)	£114
Considering the Form TM8 and counterstatement (2 hours x 19)	£38
Preparing and filing a witness statement and evidence (including time for reading and research) (8 hours x 19)	£152
TOTAL	**£504**

44. I hereby order Western Power Sports, LLC to pay John Sunderland the sum of **£504.** This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 13th day of November 2023

S Wallace
For the Registrar