

O/0139/25

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

DECISION ON COSTS

IN THE MATTER OF TRADE MARK APPLICATION  
NO. UK00003948967  
BY BAPP GROUP LIMITED  
TO REGISTER THE TRADE MARK:

**BGL**

IN CLASSES 6, 25 & 35

AND

AN OPPOSITION THERETO  
UNDER NO. OP000444836  
BY DEEPAK FASTENERS LIMITED

AND

IN THE MATTER OF TRADE MARK REGISTRATION  
NO. UK00003029864 IN THE NAME OF DEEPAK FASTENERS  
LIMITED IN RESPECT OF THE FOLLOWING TRADE MARK:

**BGL**

IN CLASS 6

AND

AN APPLICATION FOR REVOCATION  
THEREOF UNDER NO. CA000507133  
AND AN APPLICATION FOR INVALIDATION  
THEREOF UNDER NO CA000507136  
BY BAPP GROUP LIMITED

## **Background & Pleadings**

1. On 23 August 2023, Bapp Group Limited (“Bapp Group”) applied to register the trade mark number UK00003948967 shown on the cover page of this decision in respect of goods and services in Classes 6, 25 and 35. Bapp Group was represented by Squire Patton Boggs (UK) LLP.
2. On 21 December 2023, Deepak Fasteners Limited (“Deepak Fasteners”) filed a Form TM7, opposing the Class 6 goods of the application on the basis of Sections 5(1) and 5(2)(a) of the Trade Marks Act 1994 (“the Act”). The opposition number was OP000444836, and Deepak Fasteners relied upon trade mark number UK00003029864, which was subject to proof of use. Deepak Fasteners was represented by HCR Legal LLP.
3. Bapp Group defended the opposition with a Form TM8 dated 11 March 2024 by denying the claims and putting Deepak Fasteners in proof of use of its registered mark.
4. On 11 March 2024, Bapp Group sought revocation and invalidation of the registered mark UK00003029864 on the grounds of non-use under Sections 46(1)(a) and (b), and under Sections 47(1) and 47(2)(b) of the Act, respectively. The application for revocation number was CA000507133 and the invalidation number was CA000507136.
5. On 5 April 2024, the Registry informed the parties of the consolidation of the above cancellation proceedings stating that:

“[...] there are related proceedings, namely Cancellation numbers CA000507133 and CA00050136, which have not been defended at this time. Given the nature of the cases, upon receipt of TM8 Forms and counter statements in the related proceedings, the Registry will consider directing that under Rule 62(g) of the Trade Marks Rules 2008, the cases be consolidated.”

6. On 13 March 2024, the Registry informed Deepak Fasteners that a completed form TM8 must be received on or before 13 May 2024, warning that the registration would be treated as invalid in whole or part if the deadline date was missed. However, Deepak Fasteners did not file a counterstatement within the two month period specified by Rule 41(6) of the Trade Mark Rules (2008).
7. Neither party requested a hearing or gave written submissions in respect of the preliminary view to declare the registration as invalid by way of official letter dated 27 May 2024. Consequently, the Registry issued an undefended decision dated 15 July 2024, with which the registration of the UK00003029864 was declared invalid and deemed never to have been made in accordance with Section 47(6) of the Act.
8. The parties were given a deadline of 14 August 2024 by which to lodge an appeal. In this regard, neither of the parties appealed against this decision resulting in the implementation of the given decision.
9. On 3 September 2024, the Registry notified the parties that the UK00003029864 trade mark:

“[...] was declared invalid in the undefended decision issued in cancellation proceedings CA000507136 on 17 July 2024, as no appeal was filed the decision has been implemented.

As CA000507136 has been cancelled a decision will not be issued in these proceedings. I confirm cancellation CA000507133 has been closed.”

10. On 12 September 2024, the Registry issued its preliminary view that the opposition should be withdrawn as the earlier right (UK00003948967) had been successfully invalidated following the outcome of CA000507136, setting a deadline on or before 26 September 2024 for the parties to challenge the preliminary view.

11. On 2 October 2024, Bapp Group wrote to the Registry to request an off-scale costs order for each of the above proceedings. More specifically, it requested the following amounts:

- £8,942.18 in relation to the invalidation action CA000507136;
- £7,115.96 in relation to the revocation action CA000507133; and
- £9,620.70 in relation to the opposition proceedings OP000444836.

12. Although Bapp Group submitted reasons for its off scale costs award in each of the above proceedings, the submissions are largely repetitive and substantially share very similar content. While I have considered each of these submissions, below I summarise the key assertions of Bapp Group:

- Deepak Fasteners unreasonably embarked upon an opposition that it knew to be self-evidently without merit and that it had no intention of seriously contesting.
- Bapp Group had reasons to believe that Deepak Fasteners had not used the registration and applied for the cancelled mark in bad faith.
- Deepak Fasteners failed to defend the cancellation action (which is deemed an admittance of the claims the cancelled mark was filed in bad faith) and respond to the correspondence from the Registry to withdraw the opposition.
- Deepak Fasteners did not appeal the Tribunal's decisions regarding the undefended cancellation action.
- Deepak Fasteners actions imposed unnecessary costs on Bapp Group.

13. On 4 October 2024, the Registry wrote to Deepak Fasteners informing it that Bapp Group had requested an award of costs and invited comments on the matter on or before 18 October 2024.
14. On 15 October 2024, the Registry informed the parties that the opposition was withdrawn as no response or hearing request was received on or before the deadline of 26 September 2024.
15. On 18 October 2024, Deepak Fasteners responded to the off-scale costs request with email submissions stating that the request is unjustified and that there was no unreasonable behaviour in this matter by choosing not to defend the cancellation action.
16. On 4 November 2024, the Registry issued its preliminary view on the off-scale costs request in relation to the cancellation actions, namely CA000507133 and CA000507136, as follows:

“Dear Recipient,

The Registry has considered your request for ‘off the scale’ costs and following a review of the file, the proprietor’s response, and in line with TPN 1/2023, it is the preliminary view of the Registry that an award of **£400.00** in favour of the cancellation applicant would be appropriate. This amount is reached as follows:

Filing of Form TM7	£200.00
Statutory Fee	£200.00
<b>TOTAL</b>	<b>£400.00</b>

If either party disagrees with the preliminary view given above, they should request a hearing **on or before 18 November 2024**.

In the absence of any compelling objections being received, an order for the payment of costs as set out above will be issued.”

17. On 18 November 2024, Bapp Group filed extensive comments requesting the Registry to reconsider its position. In its submissions, Bapp Group not only reiterated its claims but also elaborated further by detailing the conduct of Deepak Fasteners, while annexing evidence to support its claims. The submissions are summarised as follows:

- Deepak Fasteners acted unreasonably by filing a trademark in bad faith and pursuing an opposition despite being warned of non-use issues.
- Bapp Group provided that it had a prior commercial relationship with Deepak Fasteners, asserting that Bapp Group had been using the “BGL” mark long before Deepak Fasteners registered its mark.
- Deepak Fasteners provided evidence of use, including an email from the CEO and 14 invoices from Andrews Fasteners, that was contested by Bapp Group. In more detail, Bapp Group raised serious doubts about the authenticity of the evidence, claiming that the email was ghost-written by Deepak Fasteners representative containing false statements. Bapp Group further argued that the original invoices actually referred to the “DFL” trade mark instead of “BGL”, suggesting manipulation of evidence. Bapp Group claimed that Deepak Fasteners knowingly provided falsified evidence with the intention to use such material for the purposes of the opposition proceedings. Therefore, Bapp Group noted that the opposition filed on 21 December 2023 was not filed in good faith and was unreasonable, leading to unnecessary expenses.
- Bapp Group asserted that the filing of the amended TM7 by Deepak Fasteners on 26 March 2024, claiming use of the registration without sufficient evidence, was considered false and misleading.

- Deepak Fasteners failure to withdraw its opposition or surrender its registration after realising the lack of evidence led to unnecessary costs for Bapp Group. As a result, Deepak Fasteners acted unreasonably throughout the proceedings with Bapp Group incurring costs that would not have arisen if Deepak Fasteners had acted reasonably.
18. On 25 November 2024, the Registry notified the parties that a hearing was scheduled for 10 December 2024. On 29 November 2024, Bapp Group requested a rescheduling of the hearing. Subsequently, on 4 December 2024, Bapp Group also asked for the pending off scale costs claim regarding opposition proceedings OP000444836 to be consolidated and heard together with the other two cost claims. After considering this request on the same day, the Tribunal informed the parties of its decision to accept the request. However, on 11 December 2024, Bapp Group requested that the hearing be vacated and for a decision to be made from papers, which Deepak Fasteners agreed to. Therefore, this decision is taken following a careful perusal of the papers.
19. I have taken the annexed evidence and submissions into account in reaching my decision and will refer to them below, where necessary.

### **Legislation and Guidance**

20. 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. [...]”

21. Rule 67 of the Trade Marks Rules 2008 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.”

22. TPN 1/2023, at Annex A, sets out the scale of costs applicable:

<b>Task</b>	<b>Cost</b>
Preparing a statement and considering the other side’s statement	From £250 to £750 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 £600 if the evidence is light to £2600 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
Preparing for and attending a hearing (including procedural hearings) or submissions-in-lieu	Up to £1900 per day of hearing, capped at £3900 for the full hearing unless one side has behaved unreasonably. From £350 to £650 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

23. TPN 1/2023 updates and supplements TPN 2/2016, TPN 4/2007 and TPN 2/2000. TPN 4/2007 maintains that off scale costs may be given in certain circumstances, the relevant section of which is copied below:

### **“Off scale costs**

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.”

24. Insofar as it is relevant, paragraph 5.6 of the Tribunal Section in the Manual reads as follows:

## **“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.”

25. As Anthony Watson QC (as he then was) stated in *Rizla Ltd.'s Application* [1993] RPC 365 (a patent case) 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. I see no reason why the previously adopted practice could not be altered by the Comptroller in the same way as from time to time an important decision leads the courts to adopt a different attitude to what had previously been accepted practice. Thus, if the Comptroller felt it was appropriate, a form of compensatory costs could become the norm.”

26. It is considered that the principles outlined in *Rizla's* application apply also to Tribunal proceedings.

27. In *ALLORO Trade Mark*, BL O/116/13, Mr Daniel Alexander QC (as he then was), as the Appointed Person, summarised the correct approach as follows:

“16. The decision maker is [...] entitled to take into account a wide range of factors in considering the costs to be awarded and whether they should be off-scale.

17. These include the conduct of the parties, the nature of the case and whether it is self-evidently without merit, whether there have been abuses of procedure, the extent to which offers made to settle the case were unreasonably rejected and could have resulted in costs being avoided. There is no rigid formula, although the paradigm case for off-scale costs will involve breaches of rules, delaying tactics or unreasonable behaviour. Reasonable people can differ as to how unreasonable behaviour must be before it is appropriate to depart from the usual scale of costs.”

## Decision

28. The registered mark UK00003029864 referred in paragraph 2 of this decision was a UK trade mark against which Bapp Group has sought invalidation. The application for invalidation was not defended, and as a result the mark was invalidated, and the opposition proceedings were withdrawn. The request for off scale costs in relation to the invalidation and revocation applications together with the opposition proceedings were consolidated for the purposes of a hearing, which was later vacated following the request of Bapp Group. Accordingly, I will consider all three claims and award costs in this decision.
29. So far as these proceedings are concerned, Bapp Group requests an aggregated total award of £25,678.84 off the scale for all three proceedings, inclusive of £400 in official fees.

### Off-scale costs

30. The Registrar normally awards costs based on a published scale. The aim is to award costs on a contributory rather than a compensatory basis. This is because the Registrar operates an accessible low-cost tribunal with predictable costs. However, the Registrar's practice makes it clear that costs may be awarded on a different basis if a party behaves unreasonably.
31. Nevertheless, even though 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 any unreasonable behaviour. Rather, as stated in *Rizla's Application*, the question is whether "the behaviour in question constituted such exceptional circumstances that a standard award of costs would be unreasonable."

32. I consider Bapp Group to have complied with the relevant guidance in that it has submitted an itemised bill of charges incurred for the parts of the proceedings for which it is claiming off scale costs.
33. The crux of the claims put forth by Bapp Group is that Deepak Fasteners has acted unreasonably by filing its registered mark UK00003029864 in bad faith and by providing a false and misleading statement on amended Form TM7, claiming its registration had been used in the UK in the 5 year period prior to the filing date of Bapp Group's application no. UK00003948967. In this regard, Bapp Group underscores that it would have avoided undue delays and legal expenses related to the defence and pursuit of cancellation actions had Deepak Fasteners chosen to withdraw its opposition and surrender its registration at an earlier stage. For completeness, I note that Bapp Group makes various references to the infringement claim made by Deepak Fasteners. However, this infringement claim is not relevant to the proceedings at question and cannot form part of my consideration.
34. As noted above, the Registrar decided to invalidate the registered mark UK00003029864 on the basis that the grounds for invalidation were never denied. This includes the allegation that the trade mark was applied for in bad faith. However, although non-denials are relevant to the determination of the substantive issue, they do not constitute an actual admission of having acted in bad faith, or of unreasonable behaviour, for the purpose of assessing whether 'off scale' costs are justified.
35. I note that Bapp Group has submitted evidence<sup>1</sup> in support of its assertions, which includes correspondence and accompanying documents exchanged between the parties, aimed at illustrating what the Bapp Group contends to be the unreasonable behaviour exhibited by Deepak Fasteners throughout these proceedings. Interestingly, within the

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<sup>1</sup> See Annex 1 to the submissions provided by Bapp Group dated 18 November 2024.

correspondence between the parties, there is a set of invoices,<sup>2</sup> which allegedly appears to have been altered by Deepak Fasteners, replacing the “DFL” mark with the “BGL” mark next to the listed goods. While this matter might appear contentious, I note that these invoices were not submitted as part of the formal proceedings before the Registry and were, in fact, part of private exchanges between the parties. Accordingly, these invoices are not relevant to the current assessment, and I shall refrain from considering this issue further. For the sake of completeness, this also extends to any other communications that transpired solely between the parties.

36. Further, Bapp Group contends that the statement regarding the use of the registered mark by Deepak Fasteners is misleading and constitutes a false statement, asserting that Deepak Fasteners was aware of the lack of sufficient evidence of genuine use. However, I note that Deepak Fasteners elected not to defend the registration, leaving such a statement of use unsupported in any event.
37. Even when taking into account that Deepak Fasteners filed an amended TM7 on 26 March 2024 to address the minor deficiencies highlighted by the Registry, this cannot be construed as unreasonable behaviour or as a delaying tactic as such. I note that when a trade mark application is filed, part of the process before registration is that it is open to opposition. The application in question is no exception. In addition, during the opposition proceedings, the opponent is entitled to withdraw the opposition at any stage. Notably, in this present case, Deepak Fasteners made a choice about whether to defend the registration or not, and the opposition was withdrawn as a consequence of the earlier right having been successfully invalidated. Although I am sympathetic with the view that Deepak Fasteners could have opted to withdraw the opposition and surrender the mark sooner, Deepak Fasteners has not in my view abused or delayed it

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<sup>2</sup> See pages 67-80 and 107-133 in Annex 1 of Bapp Group submissions dated 18 November 2024.

beyond the standard periods set by the Registry. I also consider that the withdrawal of the opposition took place in the early stages of the proceedings and in advance of the evidence/submissions rounds, without protracting matters. It is also worth noting that there is no provision to award costs to a party for the delay in being able to use their mark.

38. Whilst I understand the frustration of Bapp Group in having to defend the application and file cancellation actions against Deepak Fasteners, I do not consider that Bapp Group suffered any unreasonable behaviour. I also do not consider Deepak Fasteners to have caused any unreasonable delays, which is evident from the chronology of the proceedings, the facts of the case at hand, and the juxtaposition of the parties' submissions.
39. Accepting that Bapp Group is entitled to a costs award in its favour, I do not find merit in the allegations to justify off scale costs. Deepak Fasteners' behaviour has not been unreasonable to warrant anything other than on-scale costs for Bapp Group.

#### Costs on the scale

40. 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 scale of costs set out in TPN 1/2023, as shown earlier in this decision.
41. First and foremost, I will remind myself that the Tribunal awards costs on a contributory rather than a compensatory basis.
42. I also take into account Mr Hobbs QC's (as he then was) comments in *Amaro*, O/257/18:

“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.”

43. In light of the above rationale, an award of costs is required to reflect the effort and expenditure to which the receiving party was put. It may be that unreasonable behaviour by a paying party has led to increased expense for a receiving party which should be compensated; for example, repeated amendments to its case, late-filed evidence or failure to particularise what goods and services are similar in lengthy specifications. However, in the present case, the documentation from both parties amounted only to their pleadings, including their statements or counterstatements, which were not voluminous. In more detail, on the one hand, the notice of opposition (OP000444836), which I do not consider to be of particular complexity, consists of 14 pages, with the statement of grounds being four pages long. On the other, the Form TM8, contains a counterstatement, which is three pages and contains only brief explanations whenever a denial was put forward. As to the cancellation proceedings, I note that the application for revocation (CA000507133) does not contain any statement of grounds. However, the application for invalidation (CA00050136), includes a statement of grounds that spans seven pages and is of moderate complexity.

#### **Overall conclusion on costs**

44. Taking the above into account, and bearing in mind my earlier observations relating to the contributory nature of the award, I consider the following costs award to be reasonable:

Preparing a counterstatement and considering the other side's statement (TM7) (re OP000444836)	<b>£250</b>
Preparing statements TM26I & TM26N (re CA000507133 & CA000507136)	<b>£750</b>
Official fees (re CA000507133 & CA000507136)	<b>£400</b>
<b>Total</b>	<b>£1,400</b>

45. I hereby order Deepak Fasteners Limited to pay to Bapp Group Limited the sum of £1,400. The above 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 14<sup>th</sup> day of February 2025**

**Dr Stylianos Alexandridis**  
**For the Registrar,**  
**The Comptroller General**