

BL O/1192/24

TRADE MARKS ACT 1994

DECISION ON COSTS

**TWO APPLICATIONS BY RAZVAN RADU TO CANCEL 'IPHONE' TRADE MARKS
OWNED BY APPLE INC. FOR BEING NON-DISTINCTIVE AND DESCRIPTIVE**

AND

**APPLE INC.'S APPLICATION FOR THE CANCELLATION APPLICATIONS TO BE
STRUCK OUT AS AN ABUSE OF PROCESS**

1. My provisional decision dated 15 August 2024 explained why two applications filed by Razvan Radu ('Mr Radu') to revoke two iPhone trade marks owned by Apple Inc. ('Apple') should be struck out as an abuse of process.

2. I gave directions to the parties to file written submissions as to costs and indicated that I would issue a final decision after I had reviewed those submissions. I subsequently received submissions on behalf of Apple.¹ Mr Radu did not file submissions.

Apple's costs submissions

3. Apple's request is two-fold. Firstly, it claims that Mr Radu's conduct has been unreasonable to an extent that costs above the usual scale are appropriate, amounting to, or at least approaching, the total costs of the actions to date. Apple relies on the well-known decision in *Rizla*,² in which it was accepted by the court that the registrar has the power to award costs on a compensatory basis:

“As a matter of jurisdiction, I entertain no doubt that if the Comptroller were of the view that a case had been brought without any bona fide belief that it was soundly based or if in any other way he were satisfied that his jurisdiction was being used other than for the purpose of resolving genuine disputes, he has the power to order compensatory costs. It would be a strange result if the Comptroller were powerless to order more than a contribution from a party who had clearly abused the Comptroller's jurisdiction.

The superintending examiner in his decision correctly, in my view, framed the issue he had to decide as: “...whether the conduct of the referrer constituted such exceptional circumstances that a standard award of costs would be unreasonable.”

¹ Dated 28 August 2024.

² *Rizla Ltd's Application* [1993] RPC 365.

4. Apple puts forward the following five reasons in support of this claim:

“a) First, the Applications and each of them were commenced for an ulterior and improper purpose, as the Tribunal has held: see Decision at [36]. That the Applications are an abuse of process is, in and of itself, unreasonable enough to justify an award of off-scale costs: see Rizla at 377.

b) Second, the Applications were made against extremely famous and distinctive marks (iPhone) and were obviously doomed to fail, having no prospects of success, as the Tribunal has held: see Decision [24]. The Applicant could not have had any reasonable basis for believing the Applications would have succeeded.

c) Third, the Applicant provided no explanation as to why he does not accept that iPhone is factually distinctive for phones and related goods (see Decision at [24]).

d) Fourth, much of the evidence and written submissions filed by the Applicant was irrelevant to the issues before the Tribunal. For example, the Applicant relied on the EUIPO’s decision of 8/12/2020 (in respect of IR 923726) notwithstanding the different practices of the EU and UK offices and in spite of Apple already owning registrations for iPhone in the UK (see Decision at [22]).

e) Fifth, the UK address given to the IPO in the Applications is a mere post-box address and despite being notified in advance of Apple’s security for costs application the Applicant has not provided details of his true place of residence by way of evidence in these proceedings. This has resulted in unnecessary costs needed to investigate the position of the Applicant and to manage the actions.”

5. The breakdown of Apple’s costs is contained in the following table:³

³ See the Annex to Apple’s cost submissions.

No.	Phase	Proposed award
1	Considering cancellation actions and preparing defence and counterstatement in response to both cancellation actions (CA000506579 & CA000506559)	£4,290 (12.9 hours)
2	Considering and preparing evidence in support of strike-out application	£9,339 (24.4 hours)
3	Preparing for (including skeleton argument) and attending hearing	£8,977 (23.5 hours)
CMS total fees for phases 1-3		£22,606 (60.8 hours)
	Counsel - Ms Bree Alaina Newnes (One Essex Court) Fee for attending hearing	£4000
	Reviewing Decision	£500
	Preparing submissions on costs	£500
TOTAL (CMS fees + Counsel)		£27,606

6. Apple provides the following reasons why the claimed costs are reasonable in the circumstances:⁴

“a) The commercial significance of the trade marks under attack was extremely high.

b) The scope of each attack was substantial and concerned different relevant time periods. It was appropriate to consider and respond to the claims in detail, including by filing counterstatements and defences.

c) The evidence filed at the CMC hearing required Apple to carry out complex and wide-ranging factual investigations, and in particular to investigate the activities of the Applicant, which remain unclear.

d) Although the Applications did not proceed to final hearings, the work required to manage, consider and respond to each Application - and to

⁴ See paragraph 14 of Apple’s cost submissions.

consider the required arguments and evidence relating to the inherent and acquired distinctiveness of iPhone (see LaPerle) – was still substantial.

e) It is solely due to the Applicant's own actions alone that resulted in the incurred costs. His choice to file the Applications against Apple's famous and distinctive iPhone marks is what created the need for the CMC hearing and related procedural issues. In doing so, he must have realised that he would be exposed to off-scale costs payable for each of those applications."

7. Apple's second submission is put forward if I decide that an award above the usual scale is not appropriate. It claims the following scale costs:

"a) Filing statements: £750 to cover considering the Applicant's statements and filing Apple's Form TM8(N) notices and counterstatements (for both Applications: £1,500 in total).

b) Preparing evidence: £2,600 to cover the preparation of Apple's witness statements and considering evidence filed by the Applicant (for both Applications: £2,600 in total).

c) CMC: £1,900 for preparation of submissions and attendance (for both Applications: £1,900 in total). Apple also seeks a further £1,000 (in total) for its post-hearing costs, including those arising from the Decision itself.

For both Applications, Apple's overall costs are £7,000.

In addition, Apple seeks a further award of £500 for the preparation of these written submissions, assuming there is no oral hearing on the issue of costs."

8. In respect of the scale costs claim, I do not agree that Apple is entitled to the same costs for each case. This is because much of the work for one case was duplicated in the other. The challenged marks were both iPhone marks and the grounds relied on were the same in both cases. That said, I will not go on to assess the full merits of the

scale costs claim until I have dealt first with the claim for off-scale costs. I will return to the scale costs assessment if necessary.

Mr Radu's unreasonable behaviour

9. 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 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.*" This must be assessed taking into account all the relevant factors.

10. In my provisional decision to strike out Mr Radu's cancellation applications under 506579 and 506559, I found that:

- Mr Radu's cancellation applications against the iPhone trade marks had no prospect of success and were to be struck out as part of the tribunal's inherent duty to manage its proceedings efficiently and accordance with the overriding objective.⁵
- ...the nature of Mr Radu's pattern of filings, correspondence with Apple and submissions before this tribunal pointed to an attempt to coerce Apple into surrendering its iPhone marks to clear the way for his own trade mark registrations, which included within them, at least, the iPhone trade mark. I concluded that the cancellation applications were brought for an ulterior purpose without which they would not have been commenced. I found that the ulterior purpose was an improper purpose, at least in the sense that it was an improper purpose for these proceedings, in other words, they were an abuse of process.⁶

⁵ See paragraphs 23-27 of my earlier provisional decision, BLO/0781/24.

⁶ See paragraphs 34-37 of my earlier provisional decision cited at footnote 5, above.

11. Clearly, behaviour of this nature is exceptional and resulted in the registrar's jurisdiction being used other than for the purpose of resolving genuine disputes. In short, I agree with points a and b raised by Apple in support of its claim for costs above the usual scale.⁷ Points c and d add nothing and point e was abandoned by Apple at the CMC following provision of an address by Mr Radu in submissions filed in advance of the CMC.

12. This means that an award of costs above the usual scale is appropriate in this case. The fact that Mr Radu saw nothing wrong in his behaviour changes nothing. This is because his behaviour must be judged against an objective standard. Having considered this case in detail, I have no doubt that Mr Radu acted unreasonably.

13. However, I do not regard Mr Radu's silence with regard to this cost award to be an acceptance that costs should be awarded for the amount requested by Apple.

What are Apple's reasonable costs?

14. Apple claims £4290 for 12.9 hours work in considering the cancellation applications and preparing defences and counterstatements for those cases. An hourly rate is not given, but this amounts to £333 an hour.⁸ The TM8 forms are brief and were completed by ticking a small number of boxes. The counterstatements were each two pages (mostly duplicated for the two cases) and contained nothing more than a denial of the grounds brought by Mr Radu under sections 3(1)(b) and 3 (1)(c) of the Act. Reference to four related cases was also included.

15. The time claimed seems excessive for brief defences, I award **£999**, which totals 3 hours' work (as the second defence is largely a copy of the first).

16. Apple claims £9339 for 24.4 hours work in considering and preparing evidence in support of the strike-out applications, which it clarifies is only for the initial statements filed on 23 and 29 May 2024. This appears to be an hourly rate of £383.⁹

⁷ Outlined at paragraph 4, above.

⁸ Rounded up to the nearest pound.

⁹ As above.

17. The statement of Mr La Perle of Apple's legal department was 4 pages long. It was an estimate of how much time and resource would be required to defend the cancellation applications.

18. The statement of Ben Hitchens from Apple's attorney firm was 14 pages long. It provided an extensive background to the cases between Mr Radu and Apple in the UK and in other jurisdictions. Much of the evidence attached to the statement was taken from Apple's website and much of it concerned use of marks other than iPhone (most relates to the opposition cases that are ongoing, rather than the cancellation applications made by Mr Radu in respect of the iPhone marks). Whilst it sets the context of the dispute, it is not all relevant. That said, I find 20 hours to be reasonable for the creation of relevant material. I award **£7,660** for this work.

19. Apple claims £8977 (23.5 hours) for preparing for and attending the CMC, which includes preparation of the skeleton argument. Again, this would appear to be an hourly rate of £382. Whilst skeleton arguments are not usually necessary at CMCs, it was reasonable for one to be filed in these circumstances, although I note much of it was information already contained in Ben Hitchens' first witness statement, which outlined the background to these cases. Counsel was instructed, which again, is reasonable given the issues to be determined at the CMC. I would expect Counsel to take the lead regarding the preparation of the skeleton argument, although I accept some attorney involvement would be required. The CMC was held by teleconference and lasted less than two hours. Two days is appropriate for this work (15 hours); accordingly, I will allow **£5730**.

20. Apple claims **£4000** for the Counsel fee to attend the hearing, **£500** to review my provisional decision and **£500** to prepare its cost submissions. All of these are reasonable and recoverable.

21. In total, this amounts to £19,389. Having assessed the matter on the basis of costs above the usual scale, I do not need to return to Apple's reserve pleading for scale costs.

Payment

22. I order Razvan Radu to pay Apple Inc. £19,389. The costs should be paid within 21 days of the date of this decision or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellant tribunal).

Status of this decision

23. This is a final decision. The period for appeal against my decision to strike out cancellation applications 506579 and 506559 and to award costs, starts from the date shown below.

Dated this 17th day of December 2024

Al Skilton

For the Registrar,

The Comptroller-General