

**O-066-16**

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER NO 500683  
BY CUILLIN BREWERY LTD

TO CANCEL REGISTRATION NO 3031257 FOR THE TRADE MARK



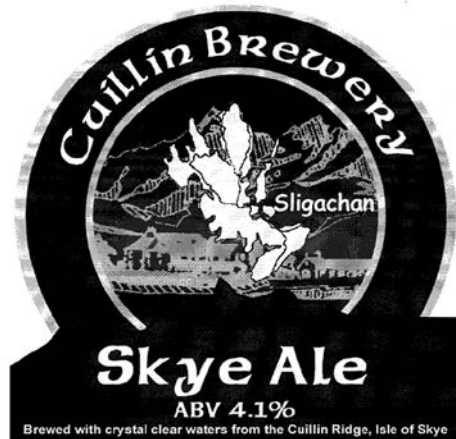
STANDING IN THE NAME OF  
ISLE OF SKY BREWING COMPANY (LEANN AN EILEIN) LIMITED

## Background

1. Registration no 3031257 is for the trade mark shown on the cover page of this decision and stands registered in the name of Isle of Sky Brewing Company (Leann an Eilein) Limited (“the registered proprietor”). It was filed on 19 November 2013, published on 20 December 2013 and was entered in the register on 7 March 2014. It is registered in respect of:

Bottled Beer, Draft Beer; Beer

2. An application to cancel the registration by declaring it invalid was filed by Cuillin Brewery Ltd (“the applicant”). The applicant sought originally to rely on two grounds, one being under section 3(6) of the Trade Marks Act 1994 (“the Act”), however, this was not proceeded with. The applicant therefore relies on a single ground under section 5(4)(a) of the Act based on the following which is said to have been used in respect of *beer* since 8 November 2004:



3. The registered proprietor filed a counterstatement in which it denies the claims made on the grounds that:

- It has been the owner of what it calls the Skye Ale mark at least since 1998;
- Use of the Skye Ale mark by the applicant is itself contrary to the law in particular the law of passing off;
- The applicant, being the owner of a mark being used unlawfully, has no protection that would entitle it to prevent use of the registered trade mark.

4. Both parties filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate and necessary. Both parties filed written submissions which will not be summarised but will be referred to as and where appropriate in this decision. No hearing was requested by either party and so this decision is taken following a careful perusal of the papers.

## Decision

5. Applications for invalidation are made under the provisions of section 47 of the Act, the relevant parts of which state:

“47. - (1) ...

(2) The registration of a trade mark may be declared invalid on the ground-

(a) ...

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(3) ...

(4) ...

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

6. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

7. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

8. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

9. The earlier use by the claimant must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455 (Appointed Person)

10. I have to determine matters with reference to a particular date (“the relevant date”). In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander Q.C. as the Appointed Person considered the relevant date for the purposes of section 5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the

application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs Q.C. sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

11. In its counterstatement, the registered proprietor acknowledges the applicant's claim to have used its mark since November 2004 but claims that the use of its own mark goes back further, since 1998.

12. The first issue to be determined is whether the applicant has goodwill in the mark on which it relies. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) the Court stated:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

13. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

14. The applicant has filed evidence in the form of a number of witness statements and accompanying exhibits. Whilst it is clear from that material, and is indeed not disputed by the registered proprietor, that the applicant is in business as a brewery, the evidence is not well focussed to the matters in issue in these proceedings. Indeed, most of its evidence is either critical of the registered proprietor's evidence or refers to the registered proprietor's business rather than its own. That said, in his witness statements dated 9 March 2015 and 29 July 2015, Stephen James Bailey, its Company Secretary, states that in 2004 the applicant chose the name "Skye Ale" and has "been brewing and selling "Skye Ale form (sic) October 2004 until the present...". He also states that "Skye Ale has been in regular production by the Cuillin Brewery since November 2004". At SB5 he exhibits copies of a brewing record. It shows the 'Ale Name' as 'Skye'. The record is dated 3 April 2014 so post-dates the relevant date. At SB5(ii) he exhibits pages listing what I take to be a record of deliveries. In each case the delivery date post-dates the relevant date in these proceedings.

15. At SB6 Mr Bailey exhibits copies of 11 invoices dated between 8 November 2004 and 30 September 2014, the latter also post-dating the relevant date. The invoices are on headed paper and each bears a logo. In the case of the first 7 invoices, the device is a bordered, yellow, oval shape with the words Cuillin Brewery within the top part of the border and the words Isle of Skye in the lower part. The central part shows a building in a grassy field with the backdrop of mountains in grey. The 8<sup>th</sup> invoice shows a blue rectangular shape. Again the words Cuillin Brewery and Isle of Skye appear on it as do the outline of a building and mountains. Superimposed on the mountain is the outline of a representation of what I recognise to be the Isle of Skye. The remaining invoices show a rectangular device with the outline of mountains with the words Cuillin Brewery superimposed on them. The words "A taste of the Cuillin" appear towards the top of the device. The first 9 invoices are made out to 6 addresses on the Isle of Skye. Each of the invoices have been redacted so do not show the unit price or total cost for any of the goods supplied but the quantities of what is supplied on each are all under 5 units.

16. In his witness statement, Mr Murdo Nicholson states that he worked at the Sligachan Hotel from March 1993 until May 2001. He states that in 2005 he visited the hotel and, whilst there, "became aware" that a product called "Skye Ale" was being produced and sold by the applicant. He does not say how he became aware of this fact nor does he state that the product was on sale in the hotel. He does not say where this hotel is located.

17. Nowhere in its evidence does the applicant show any use of the earlier mark it relies upon and which is shown at paragraph 2 above. It has not provided any indication of the extent of its trade under the mark either in terms of turnover or geographical spread. There is no evidence of advertising, no evidence from the trade which goes to the applicant's use of its mark nor is there any evidence from the public.

18. Taking all of the evidence in account, and as the registered proprietor submits, the applicant has not shown that it has the required goodwill to support its claim of passing off. That being the case, its application fails.



## Summary

19. The application fails in its entirety.

## Costs

20. The application having failed, the registered proprietor is entitled to an award of costs in its favour. In making that award I note that the decision has been made from the papers on file. I also note that during the course of proceedings, a case management conference ("CMC") was held. The issue that led to that CMC centred on the fact that the registered proprietor claimed that certain of the applicant's evidence had been filed in breach of a Compromise Agreement made between the deponent, Mr Eric Jones, and the registered proprietor in 2004. The applicant accepted this and the material was excluded. Taking all matters into account, I make the award on the following basis:

For reviewing the application and filing a counterstatement:	£300
Evidence:	£500
CMC:	£150
For preparation of written submissions:	£150
<b>Total:</b>	<b>£1,100</b>

21. I order Cuillin Brewery Ltd to pay Isle of Sky Brewing Company (Leann an Eilein) Limited the sum of £1,100 as a contribution towards its costs. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 8<sup>th</sup> day of February 2016**

**Ann Corbett  
For the Registrar  
The Comptroller-General**