O-023-19

TRADE MARKS ACT 1994

IN THE MATTER OF THE APPLICATION UNDER NO. 3204263

BY INCH'S CIDER LTD

TO REGISTER THE TRADE MARK

White Lightning

IN CLASS 33

AND

IN THE MATTER OF THE OPPOSITION THERETO

UNDER NO. 409896, BY H P BULMER LIMITED

BACKGROUND AND PLEADINGS

The parties

1. On 28 December 2016, Inch's Cider Ltd ("**the Applicant"**) filed a UK trade mark application for the word mark "White Lightning" ("**the Applicant's Mark**"), in respect of the following goods[1] in Class 33: *Alcoholic beverages (except beer)*. The application was published for opposition purposes on 28 April 2017.

2. H P Bulmer Limited ("**the Opponent**") opposes the application, based on five grounds under the Trade Marks Act 1994 ("the Act"), namely: sections 5(2)(a), 5(2)(b), 5(3), 5(4)(a) and 3(6). Each ground is directed against the application in its entirety.

3. This is a dispute between, on the opposing side, a member of the Heineken group who used to market a white cider under the brand name "White Lightning", and on the other side a party that claims to be a small cider producer, not yet marketing a product under the applied for brand. There is an overlap (in the term "Inch's") between the name of the Applicant and the content of one of the marks (below) relied on by the Opponent; later in this decision I include further background on the parties, since that overlap is raised as a factor in support of aspects of the Opponent's claims.

The Opponent's registrations

4. The Opponent is the proprietor of the two UK trade mark registrations detailed in the following table:

Opponent's registration No. **1456296** (referred to in this decision as "**the 296 Inch's White Lightning Registration**")
Filed on 22 February 1991, and **registered** on **17 July 1992**, for the word mark: INCH'S WHITE LIGHTNING for goods as follows: **Class 33**: *White cider included in Class 33*

[1] The application was originally filed for "cider and made wine" in Class 33, but the Applicant amended its specification on 23 February 2017.

Opponent's registration No. **2154699** (referred to in this decision as "**the 699 White Lightning Registration**")
Filed on 30 December 1997, and **registered** on **25 June 1999**, for the word mark: WHITE LIGHTNING for goods in **Class 29**: *Preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; milk and milk products; edible oils and fats; milk based beverages; dairy products; nuts; snack foods; potato crisps/chips*. **Class 30:** *Flour and preparations made from cereals, bread, pastry and confectionery; ices, honey, treacle; sauces (condiments); cakes; chocolate; chocolates; beverages; non-medicated confectionery; snack foods; ice cream, frozen confections; biscuits* **Class 32***: Beers, mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages*

5. Although not relied on in the grounds, the Opponent states that it was previously also the registered proprietor of the expired UK trade mark WHITE LIGHTNING for "white cider" in class 3 (Registration 2024617), filed on 21 June 1995 but which expired on 21 June 2015. (The Opponent's statement of grounds also refers to three other trade marks – one current, two lapsed – owned or previously owned by the Opponent, each including the word "Inch's".)

The Opponent's claims under sections 5(2)(a), 5(2)(b) and 5(3) of the Act

6. These three claims rely only on the two registrations detailed in the table above and I deal with these three grounds together in this decision.

7. *Section 5(2)(a) claim:* The Opponent claims that because the Applicant's mark is identical to that under the 699 White Lightning Registration and is sought to be registered for goods similar to those protected by that earlier registration, there will be a likelihood of confusion on the part of the public, which includes the likelihood of association with that earlier trade mark, contrary to section 5(2)(a) of the Act.

8. *Section 5(2)(b) claim:* The Opponent claims that because the Applicant's mark is similar to that under the 296 Inch's White Lightning Registration and is sought to be registered for goods

identical with those protected by that earlier registration, there will be a likelihood of confusion on the part of the public, which includes the likelihood of association with that earlier trade mark, contrary to section 5(2)(b) of the Act.

9. *Section 5(3) claim:* The Opponent's claim under section 5(3) of the Act is essentially[2] that it has a reputation in respect of both the 699 White Lightning Registration and the 296 Inch's White Lightning Registration such that use of the Applicant's mark, without due cause, in respect of any or all of the goods in the application, would take unfair advantage of, or be detrimental to, the distinctive character or reputation of those earlier marks.

The Opponent's claim under section 5(4)(a) of the Act (passing off)

10. The Opponent claims that use of the Applicant's Mark in the United Kingdom is liable to be prevented by virtue of the law of passing off protecting the Opponent's unregistered trade marks / signs (below) used in the course of trade, and as such its registration would be contrary to section 5(4)(a) of the Act. The statement of grounds cites the elements of the tort of passing off, as described in case law[3], as comprising:

(i) a **goodwill** or reputation attached to the relevant goods or services;
(ii) a **misrepresentation** by the defendant to the public (whether or not intentional) leading, or likely to lead, the public to believe that the goods or services offered by him are those of the claimant; and
(iii) **damage** to the claimant, arising from the erroneous belief (caused by the defendant's misrepresentation) that the source of the defendant's goods or services is the same as the source of those offered by the claimant.

Claimed goodwill

11. The question of whether the Opponent has actionable goodwill in these proceedings, arising from and in relation to the claimed signs, is of central importance in this decision. As I set out below, the particulars of the Opponent's claims in that regard bear on which signs are invoked in the claim, evidence of generation of goodwill, and whether any such goodwill may be current or residual, or whether it may have been abandoned or destroyed.

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2 (I do not consider it necessary in this case to set out the grounds as further particularised in the claim.)
3 Lord Oliver in Reckitt & Colman Products Limited v Borden Inc [1990] RPC 341

12. The Opponent claims earlier rights arising from its use both[4] of "INCH'S WHITE LIGHTNING" and of "WHITE LIGHTNING". The particulars of the claim under section 5(4)(a), cross-refer to the claimed reputation under section 5(3) and state that the Opponent has acquired significant valuable reputation and goodwill in the mark in relation to cider by reason of its large-scale use of the White Lightning Registration in the course of trade within the UK. The Opponent states that it has "not retained pre-2004 production and sales information relating to White Lightning cider, however in 2004 the Opponent produced 343 hectolitres of White Lightning cider which generated £10,414,000 in revenue for the Opponent."

13. The Opponent states that its "Marks are distinctive of the Opponent and have been extensively used by the Opponent for cider in the United Kingdom from the early 1990s until production ceased in January 2010. As a result, the Opponent is the owner of substantial goodwill (regardless of whether that goodwill is positive or negative) associated with the same. Accordingly, the Opponent's Marks, or anything colourably similar thereto, have come to designate the goods of the Opponent and none other, and such goodwill predates the Application."

14. The Opponent "claims in the alternative, that to the extent that the Opponent does not own current goodwill in its marks that the Opponent owns residual goodwill in those marks[5]."

15. The Opponent also claims that "notwithstanding that it has not used White Lightning since 2010, it has not abandoned or destroyed the goodwill in its marks[6]."

Claimed misrepresentation

16. As to misrepresentation, in addition to the degree of similarity/identity between the respective marks and goods, the Opponent claims "to rely upon all such facts and matters which further demonstrate that notional and fair use of the Application will lead or is likely to lead to actionable misrepresentation and passing off in relation to the Opponent's Marks. Taking all the relevant factors into account including the Opponent's substantial goodwill and reputation in WHITE LIGHTNING and the increasing popularity of brand revivals and relaunches, there is a real risk that members of the public encountering the Application will assume that the goods for which

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[4] Although the particulars of the section 5(4)(a) ground refer in places to the "Opponent's Marks" (plural), their focus is primarily on the WHITE LIGHTNING sign.

[5] The statement of grounds refers to relevant case law (Ad-Lib Club v Granville) that I shall return to later.

[6] Again the statement of grounds refers to relevant case law that I shall return to later.

it is to be registered/used originate from the Opponent or an undertaking to which it is economically linked."

Claimed damage

17. The Opponent claims that "in light of the aforementioned misrepresentation, the Opponent avers that the Tribunal is entitled to infer that damage to the Opponent is an inevitable result of the same."

18. It also claims that "furthermore, the Opponent made an active decision to delist White Lightning cider and ceased production in 2010 as part of a series of actions taken by the Opponent (and the Heineken group of companies generally) to combat growing public concern about the role of high strength, cheap alcohol (particularly in the white cider category) and the responsible consumption of alcohol. As it is likely that a consumer will associate the Applicant's use of the Application with a relaunch of the product formerly produced by the Opponent (and its group companies), without prejudice to the generality of the foregoing, by use of the Application, the Opponent stands to suffer irreparable damage and harm."

The Opponent's claim under section 3(6) of the Act (bad faith)

19. The Opponent's claim under section 3(6) is that, at the date of application:
    (i) the Applicant "was aware of the Opponent's reputation in the Opponent's Mark [sic] and that the Opponent had ceased using them";
    (ii) that "as the Applicant was incorporated just a month after the dissolution of [the Opponent's] Inch's Cider Limited (company registration number 02378126) there is no doubt that the Applicant was only incorporated once [the Opponent's] Inch's Cider Limited (company registration number 02378126) had been dissolved. That the Opponent wrote to Mr Matthew McIlwraith, the sole director and sole shareholder, of the Applicant on 29 July 2015 and again on 15 October 2015 notifying the Applicant of its intellectual property rights in INCH'S and seeking information on the Applicant's future plans. The Applicant did not respond to the Opponent."
    (iii) The Applicant originally sought protection for "cider and made wine", but the Application was amended to "alcoholic beverages (except beer)". The Opponent claims that this suggests that the Applicant is likely to affix the Application to cider products in addition to other alcoholic beverages.

(iv) "The Applicant had the whole lexicon of the world to choose from however chose to file the Application. There is no obvious reason for the Applicant to apply for the Application other than to take advantage of White Lightning's substantial reputation and goodwill."

(v) The Opponent therefore submits that a reasonable and experienced person in the cider trade would consider the Application as falling short of the standards of acceptable commercial behaviour."

The Applicant's defence

20. The Applicant submitted a Form TM8 notice of defence, including a counterstatement denying all the grounds. The Applicant admits that "there can be little argument that the marks are substantively the same" - its point of contention is that "the opponent has not made any use of their mark in a number of years, and as such is maintaining registration without merit."

21. The Applicant's counterstatement includes points to the following effect:

(i) The admissions by the Opponent that: the "Inch's" branding was removed from the product relatively shortly after its acquisition by the Opponent; that the Opponent subsequently discontinued its product entirely; and that it allowed the expiry in June 2015 of its registration 2024617 for WHITE LIGHTNING for "white cider" in class 33;

(ii) The Applicant explains that it re-registered the company name, after it was abandoned by the Opponent, because the company was originally owned by the father of Matthew McIwraith (of the Applicant), and the name is of some sentimental value to the Applicant.

(iii) The Applicant was entitled to pursue the company name after it was abandoned by the Opponent and the Applicant does not consider that there is "an inherent risk of confusion arising simply by virtue of [its] reuse of the previous company name."

In addition to the above points that relate primarily to the company name (Inch's), the Applicant makes the following points relating to its choice of trade mark name and to its marketing plans:

(iv) As to the choice of the trade mark name, the Applicant states that "White Lightning" is a common term for moonshine in America and the Applicant had in mind a range involving different colours in that the Applicant may produce a blueberry flavoured cider as "blue lightning".

(v) A likelihood of confusion is averted in light of the differences between what the Applicant has in mind for the use of its applied-for mark and the way in which the Opponent previously used the mark. The Applicant refers to itself as a small artisanal cidermaker, making “a high quality product in mason jars” to sell principally on-site in its farm shop or to delicatessens, “entirely different” from the product formerly produced by one of the largest drinks conglomerates in the world

(vi) The Applicant agrees with the Opponent’s statement that “’revival’ companies are becoming relatively commonplace.”

Representation and papers filed

22. The Opponent is represented DLA Piper UK LLP. The claims set out over the ten pages or so of the statement of grounds were supported by the filing, during the evidence rounds, both of evidence and submissions on behalf of the Opponent. I include below, to the extent I consider necessary or helpful, a summary of the evidence and I will refer to parties’ submissions or claims elsewhere in the decision as appropriate.

23. The Applicant is without professional representation in these proceedings. The Applicant made various points in its counterstatement, but during the evidence rounds filed no submissions or evidence. Neither party requested a hearing, and neither party filed written submissions in lieu of an oral hearing. I make this decision having carefully read the papers filed, and in line with principles from applicable jurisprudence.

THE EVIDENCE

24. The Opponent’s evidence consisted of a Witness Statement by Graeme Colquhoun signed and dated 19 March 2018, along with **Exhibits 1 - 6**. Mr Colquhoun is the Opponent’s General Counsel and head of its in-house legal team. He states that “the Opponent made extensive use of the name WHITE LIGHTNING and has manufactured and marketed substantial quantities of cider under the WHITE LIGHTNING name, from the early 1990s until 2010. By way of example, between 3 January 2008 and 2 February 2010 the Opponent produced 55,719 hectolitres of WHITE LIGHTNING cider as detailed in **Exhibit 1**. As a result of such use, WHITE LIGHTNING achieved very significant reputation and goodwill in the United Kingdom.”

25. **Exhibit 1** is a table presented over two pages, involving eleven columns and sixty or so rows of information. The source of the table and the significance of some of its headings and codes are not entirely clear, and nor have I checked its summed figures. The table gives no indication of where or by whom the subject product was made, or to where or whom it was delivered.

However, such information that it does provide accords with Mr Colquhoun's account of tens of thousands of hectolitres of White Lightning having been made between the dates stated.

26. Mr Colquhoun continues: "Notwithstanding that WHITE LIGHTNING cider was delisted by the Opponent in 2010, WHITE LGHTNING still enjoys a substantial reputation and goodwill as evidenced by the ongoing contemporary references to the product. Examples of such reputation and references are detailed in **Exhibit 2**." **Exhibit 2** comprises numerous and various written articles and documents:

(i) A print-out of the Wikipedia entry for "White Lightning (cider)", as last edited March 2018. Its headline is that White Lightning was a brand of English white cider produced from the early 1990s to 2009. I factor in some caution as to the authority of the content of a source such as Wikipedia whose content is openly and anonymously editable, but its content seems to fit broadly with other evidence filed and provides a convenient summary of points referenced elsewhere in the Opponent's evidence and the parties' submissions. It includes the following:

(a) *Origin:* White Lightning was originally manufactured in the early 1990s by Inch's Cider of Winkleigh. Inch's Cider was bought out by H.P. Bulmer in 1995. Despite initial assurances that production would continue in Winkleigh, the cider brewery there was shut and all production moved to Hereford. Bulmers was in turn acquired by Scottish Courage in 2003.

(b) *Commercial success:* White Lightning quickly gained brand recognition in the late 1990s-2000s in a competitive marketplace with its distinctive large, deep blue coloured thin plastic bottle's design, very low price and high strength, making it popular with those seeking strong alcohol with minimal money to spend. On its release, its strength was 8.4% alcohol by volume, which, after pressure from the government over the gathering evidence of its adverse social effects that were becoming apparent, was later reduced to 7.5%, then finally to 5.5% in May 2009.

(c) *Production discontinued:* At the end of 2009, Heineken International, which now owned the White Lightning label having inherited it when it bought out Scottish Courage, decided to discontinue its manufacture due to its brand image problem in the United Kingdom as having become synonymous with under-age drinking, anti-social behaviour, homelessness and impoverished alcoholism […] When sold on special offer at liquor stores, 3 litre plastic bottles of 8.4% White Lightning could be purchased for less than £2.

(d) *Cultural references:* White Lightning is referenced negatively in the lyrics[7] both of Jake Bugg's song Two Fingers and Jamie T's 2009 hit Sticks'n'Stones.

(ii) A print-out from the **urbandictionary.com** – again an openly editable source (US-based) - giving various definitions for White Lightning, including: a very high strength (illegal) Moonshine; a slang term for LSD; and "cheap clear cider. Tastes like distilled urine. Probably is distilled urine. Carreis [sic] the stigma of being an under-18s-down-the-offy drink…"

(iii) Various articles, from various sources, covering the steps by Heineken UK to reduce the bottle size and alcohol content of its White Lightning cider and then, just months later, to withdraw the product. These include:

(a) a short article, seemingly from January 2009, in **marketingweek.com**. That article refers to the brewer having "scrapped the brand after accepting that its attempt to improve the image of the white cider category has failed." It quotes Heineken UK's sales managing director for the off trade as saying "In these tough trading times categories like premium cider offer better, more sustainable profit opportunities for retailers ..."

(b) a print-out from the business section of **theguardian.com** from 19 March 2009 under the heading "White Lightning to pack less punch as S&N reduces its alcohol level". The article refers to the move by Scottish & Newcastle as an initiative to improve the image of White Lightning and encourage more responsible drinking, having five years earlier abandoned 3-litre bottles and extra-50% free promotions. It quotes an S&N spokesman as saying "There is certainly a perceived problem with white ciders and we are doing our best to address that." He said the move was not a direct response to calls at that time from the chief medical officer to charge minimum of 50p per unit of alcohol to reduce the amount of heavy drinking.

(c) A print-out of an article from **morningadvertiser.co.uk** dated 17 December 2009 headed "Heineken UK delists White Lightning". It states that White Lightning would be de-listed from 31 March 2010. It again quotes Heineken UK's sales managing director for the off trade who adds: "As pioneers in the cider category we want to lead from the front. Premium and mainstream ciders continue to drive the overall growth

[7] The lyrics are presented in extract in the Opponent's Statement of Grounds and I refer to them later in this decision.

of the category and our future investment will focus on our brands in these categories to respond to consumer demand and continue to drive value."

(d) A print-out of a post on **alcoholpolicy.net** dated 21 December 2009 which includes the statement that "when in 2004 the producers of White Lightning stopped selling the special value 3 litre bottles it caused a dramatic 70% drop in sales, followed by rises in sales of the remaining own brand versions."

(e) A print-out from **channel4.com** fact check page dated 13 April 2010. It quotes David Cameron (at that point in opposition) campaigning at a brewery, referring to a need for a higher tax on high-strength cheap cider or lager, "things like White Lightning".

(f) A print-out from the finance section of **telegraph.co.uk** dated January 2011 which states "the infamous White Lightning was withdrawn from the market in 2009." It refers to Heineken having acquired White Lightning from Scottish & Newcastle in 2008. It again quotes Heineken UK's sales managing director for the off trade who stated that "white cider is a problem for us as an industry; it tends to have connotations with the park bench".

(g) A 20-page report entitled "White Cider and street drinkers: Recommendations to reduce harm", published in April 2011 by the charity **Alcohol Concern**. The report gives information on the taxation of cider. It also includes a definition of white cider, which indicates that "the majority of the alcohol in white cider has very little to with apples at all." It states, however, that there is very little difference between the process for white cider and the commercial production of any cider. It states that "White Lightning is still the most frequently mentioned brand whenever the matter is raised, despite the fact that Heineken stopped producing it in 2009. The report refers to a leadership role taken by Heineken to diminish the impact of white cider, including de-listing "what had once been the market leader … to reinforce [its] stance on responsible drinking and drive more value in the cider market." A footnote in that report attributes the quote to a Scottish & Newcastle Press Release entitled "Scottish & Newcastle UK leads from the front with White Lightning ABV change" 13 March 2009. The Press Release is not in evidence and it is clear from the context that the quote refers not to the de-listing, but to the earlier step of the reduction in alcohol content. The report also refers to its survey of white cider drinkers explaining that the reasons for drinking it, in order of importance, were price, effect, availability, then taste. The report also highlights the deleterious physical and psychological effects of white cider (and of super-strength lager).

(h) A print-out of a five-page article from the finance section of **telegraph.co.uk** dated 3 February 2013 under the heading "Better Business: Time to put a cap on alcohol misuse" and sub-heading: "Heineken wants its business to have a bright future. That's why it dropped strong ciders and works with a charity for problem drinkers." It reports that Stefan Orlowski, the UK head of the Dutch drinks giant Heineken, "is keenly aware of the impact of alcohol misuse" and that "he knows some believe the drinks industry should always be examining what it sells and to whom." It refers to Heineken having funded Addaction projects tackling alcohol problems, and to Heineken's corporate social responsibility programme – Brewing a Better Future – part of Mr Orlowski's wider work with Business in the Community's Marketplace Leadership Team, which he then chaired.

Exhibit 2 then includes a number of more recent articles that consider, in a retrospective fashion, drinking habits of some decades ago. For example:

(i) A print-out of an article from **metro.co.uk** dated 28 August 2015 headed "*21 drinks that'll bring back terrifying memories of how we used to get drunk in the 90s*". The article includes the line "Forget your Bulmers' […], back in the 90s there was White Lightning, and we drank it on the park bench."

(j) A print-out of an article from the Teeside publication **gazettelive.co.uk** dated 29 October 2016, asking in headline "Did your favourite 90s tipple make our list?" The only brand mentioned in its opening sentence is White Lightning.

(k) A print-out of an article from **warpedwales.co.uk** dated 2 December 2016, under the headline "True passage to adulthood must include White Lightning hangover", including a picture of the 3-litre 7.5% bottle priced as £2.99 above the message "Zero to hell in about 30 minutes."

(l) Another print-out is from **thetab.com/uk/Plymouth**, dated 26 March 2014, where the headline poses the debate: "Should super strength booze be banned?" The opening sentence by the article's youthful authors reads "We impart our White Lightning wisdom on what we think about the proposed high-strength alcohol in the city" (Plymouth). The article states that "Most of the drinks to be curbed are probably ones you've never heard of, some of the more recognisable brands include: […] White Lightning (Cider). [...] not only do they taste horrific but they account for a large amount of deaths amongst the homeless."

27. **Exhibit 3** shows a deed of assignment from Inch's Cider Limited (company number 02378126) to the Opponent. It is dated 24 November 2014 and assigns registered and unregistered intellectual property rights, including in "White Lightning" and "Inch's White Lightning".

28. **Exhibit 4** shows two letters from the Opponent to Matthew McIlwraith following the incorporation of the Applicant. The first is dated 29 July 2015; it acknowledges that the Heineken group at that stage no longer included an active company having the same name as the Applicant (since Inch's Cider Limited 02378126 ceased to exist from 31 March 2018). The letter asserts that the Opponent retains a UK-wide reputation for cider in respect of brand name. It enquired of the plans of the Applicant company. A second letter, dated 15 October 2015, follows up in the absence of a response to the first. (**Exhibits 5** and **6** are not relevant to describe for this opposition decision.)

DECISION

Claims under sections 5(2)(a), 5(2)(b) and 5(3): Proof of use issues

29. The claims under the sections 5(2)(a), 5(2)(b) and 5(3) are reliant on the two registrations detailed above (the 296 Inch's White Lightning Registration and the 699 White Lightning Registration), which the Opponent claims are earlier marks for the purposes of those three grounds. Since the filing dates of those two registrations predate that of the Applicant's mark, they are both indeed earlier trade marks within the meaning of section 6(1)(a) of the Act. However, since both earlier trade marks completed their registration process more than five years before the Applicant's mark was published for opposition, they are also potentially subject to the proof of use requirements set out in section 6A of the Act. In its notice of defence, the Applicant indicated that it put the Opponent to proof of use of the earlier marks on which it relies. Section 6A of the Act provides as follows:

> 6A Raising of relative grounds in opposition proceedings in case of non-use
> (1) This section applies where—
>
> (a) an application for registration of a trade mark has been published,
>
> (b) there is an earlier trade mark **[**of a kind falling within section 6(1)(a), (b) or (ba)**]** in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if—

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes—

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) […]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

30. It is clear from the Opponent's Form TM7[8] that the Opponent does not claim that its earlier marks have been used in the five-year period ending on the date of publication of the Applicant's mark. The Opponent ceased production of (or "delisted") its White Lightning cider early in 2010, and that the Opponent expressly "acknowledges that it has not used WHITE LIGHTNING since its delisting", but "submits that the factors set out at paragraph 5.5 in the Statement of Grounds are clearly proper reasons for non-use." However, before considering the position in relation to cider, I bear in mind the particular marks and specifications of the two registrations relied on for the claims under these three grounds.

31. The 699 White Lightning Registration is in respect of goods in Classes 29, 30 and 32 (as set out above in the table in pleadings section of this decision) and which do not include cider. There is no evidence or submission that it has been used for those specified goods, and nor is there any submission as to a proper reason for non-use in relation to those goods. The claims

[8] See the Opponent's responses to Q8 and Q9a under section B of its Form TM7, and paragraphs 4.20, 5.5.3 and 5.6 of the statement of grounds.

under sections 5(2)(a) and 5(3) must therefore fail insofar as they are based on the 699 White Lightning Registration.

32. The 296 Inch's White Lightning Registration is in respect of white cider in Class 33. Although the Opponent sold cider, the evidence shows that it dropped the word "Inch's" from its trade mark shortly after it acquired the brand. There is no evidence of use of that mark and no submissions made as to proper reasons not to have used that mark; rather, the submissions and evidence relate to cider under the brand "White Lightning". The provisions of section 6A(4)(a) of the Act allow for use of a trade mark "in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered." This appears to be Opponent's position, where, for example, paragraph 5.5 of its Statement of Grounds reads "White Lightning quickly gained brand recognition in the United Kingdom by its distinctive large deep blue coloured thin plastic bottle's design…". I acknowledge the likelihood that the Opponent's use of the mark "White Lightning" on its cider product satisfies the provisions of section 6A(4)(a) of the Act, since it retains its own distinctive character.[9]

33. The Opponent's position as to proper reasons for non-use, set out in paragraph 5.5 of its Statement of Grounds, refers to the product's low price and high strength making it popular with consumers seeking strong alcohol at a low cost. It states that "the Opponent's Marks consequently achieved notoriety due to its association with underage drinking, anti-social behaviour, homelessness and impoverished alcoholism." It mentions examples of negative references made to the White Lightning brand, including the reference to its unpleasant taste and association with under-age drinking (per the urbandictionary evidence[10]) and an association with alcohol-related disorder. It identifies this latter association in the lyrics of the pop songs mentioned in the Wikipedia evidence[11] - "Down in the kitchen, drinking White Lightning, He's with my momma, yelling and fighting" and "I was a ten a day, how'd you say, little shit, White Lightning, heightening all my courage, quick wit". And it refers to the name-checking of the brand by David Cameron[12] "in a speech at Fuller's Brewery in Chiswick on 12 April 2010 as an example of a white cider that should be more heavily taxed in the Conservative Party's plan to tackle binge drinking and alcohol-related violence and disorder. … White Lightning was delisted in January 2010 which was 3 months before this speech."

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9 See paragraph 19 of Arnold J. *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), considering the impact of the judgment of the EU court in *Bimbo SA v OHIM,* Case C-591/12P, on the court's earlier judgment in *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04.

10 See paragraph 26(ii) above.

11 See paragraph 26(i)(d) - Jake Bugg's *Two Fingers* and Jamie T's *Sticks and Stones* respectively.

12 See paragraph 26(iii)(e) above.

34. The Statement of Grounds adds: "5.6 As an advocate for the responsible consumption of alcohol and due to the substantial negative reputation associated with the White Lightning brand, the Opponent ceased production of White Lightning cider and delisted the product from its portfolio." The Opponent submits that "it would be hard to think of better or more responsible reason for non-use of a trade mark than the serious and widely-impacting social, policy and commercial reasons given by the Opponent."

35. When I consider the applicable law in this area, I note that references to "proper reasons for non-use" need to be interpreted in accordance with Article 19(1) of TRIPS[13] which uses the expression "valid reasons based on the existence of obstacles" to the genuine use which is required. "Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other governmental requirements for goods or services protected by the trademark, shall be recognized as valid reasons for non-use."[14] Whether there are proper reasons for non-use is something to be decided in all the circumstances of the case, but one factor that must always be taken into account is the legislative purpose of the non-use provisions, which has been described as the requirement to use a trade mark or lose it[15]. It is rare for "proper reasons for non-use" to be established[16].

36. In *Armin Häupl v Lidl*[17], the Court of Justice of the European Union held that:

> "54. […] only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as "proper reasons for non-use" of that mark. It must be assessed on a case-by-case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable. It is the task of the national court or tribunal, before which the dispute in the main proceedings is brought and which alone is in a position to establish the relevant facts, to apply that assessment in the context of the present action."

[13] The Agreement on Trade-Related Aspects of. Intellectual Property Rights (TRIPS) is an international legal agreement between all the member nations of the World Trade Organization (WTO), and sets down minimum standards for the regulation by national governments of many forms of intellectual property.

[14] See Kerly's Law of Trade Marks, 14th edition at 10 – 072

[15] See for example Invermont trademark [1997] RPC 125

[16] See Kerly's Law of Trade Marks, 14th edition at 10 – 074

[17] *Armin Häupl v Lidl Stiftung & Co. KG*, Case C-246/05

37. The proper reasons for non-use must be outside the control of the proprietor. The Opponent marketed White Lightning as a cheap and strong cider and the brand name arose regularly in public discourse over binge-drinking and other forms of alcohol misuse. The Opponent took initiatives including a restriction on bottle size and a reduction in the alcohol content, before then choosing to cease production and to delist the product. However, laudable as the claimed social and policy motivations behind such actions may be, it seems to me that these initiatives are ultimately marketing decisions and that discontinuing the product under that brand does not amount to circumstances outside the control of the opponent and, therefore, does not constitute proper reasons for non-use. (To the extent that cessation may have entailed more hard-nosed commercial decisions, for example in light of falling sales or of prospective tax changes, then such motivations are all the less capable of constituting proper reasons for non-use.)

38. I find that the Opponent has failed to establish valid proper reasons for non-use, and since in the relevant period it has used neither the 699 White Lightning Registration nor the 296 Inch's White Lightning Registration on which it relies for its claims under sections 5(2)(a), 5(2)(b) and 5(3), the Opponent cannot succeed on those grounds.

Outcome: the claims under sections 5(2)(a), 5(2)(b) and 5(3) must fail.

The claim under section 5(4)(a) of the Act

39. Since I find that the Opponent is unable to succeed on grounds based on its claimed registered rights, I turn to consider the opposition under the section 5(4)(a) grounds, which rely on claimed earlier unregistered rights.

40. Section 5(4)(a) of the Act provides that: *"…* a trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented 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."

41. Section 5(4) also states that "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'." The Opponent is claiming an earlier right in relation to the Applicant's mark arising from its claimed use both of the sign "INCH'S WHITE LIGHTNING" and of "WHITE LIGHTINING". However, there is no material

evidence relating to use at all of the sign "INCH'S WHITE LIGHTNING", so I shall consider the claim on the basis of the Opponent's claimed rights in the sign "WHITE LIGHTINING".

42. *The relevant date to establish passing off:* The risk of the registration of an applied-for mark being prevented by the law of passing off must be judged at a particular point in time. In the present case, since the Applicant has not yet used the mark applied for, then the only relevant date for assessing passing off[18] is the date of filing the application, namely 28 December 2016 ("**the relevant date**").

43. *Requirements for passing off:* The criteria for a passing off claim have been well established through case law in the United Kingdom. As set out in the decision by the House of Lords in *Reckitt & Colman Ltd v Borden Inc*[19], the following three points must be established in order to claim passing off successfully:

(a) First, the plaintiff must establish a **goodwill** or reputation attached to the goods or services which it supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which its particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiffs goods or services.

(b) Second, the plaintiff must demonstrate a **misrepresentation** by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are the goods or services of the plaintiff.

(c) Third, the plaintiff must demonstrate that it suffers or that it is likely to suffer **damage** by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

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18 See, for example, paragraph 43 of the decision in *Advanced Perimeter Systems Limited v Multisys Computers Limited* (BL O-410-11) where, sitting as the Appointed Person, Mr Daniel Alexander QC approved the summary of the relevant date in a passing off case as set out by Mr Allan James acting for the Registrar in SWORDERS TM 0-212-06

19 [1990] 1 All E.R. 873

Goodwill

44. The first element described in *Reckitt & Colman* refers to "goodwill or reputation", although case law has developed so as to distinguish between goodwill and "mere reputation" – the latter being insufficient alone to sustain a claim of passing off. To satisfy the first element of the tort, the Opponent is required to show that it has goodwill among UK consumers.

45. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd*[20],Lord Macnaghten observed as follows:

> "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."

46. As to establishing the necessary goodwill, I note the words of Pumfrey J. in *South Cone Incorporated v Jack Bessant*[21], where he stated:

> "There is one major problem in assessing a passing off 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.
>
> 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

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[20] [1901] AC 217

[21] *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC) at paragraphs 27 and 28 of that ruling.

to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur."

47. However, in *Minimax*[22] Floyd J. (as he then was) stated that:

> "[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."

48. In considering the cogency of the evidence filed in this case by the Opponent in relation to its claimed goodwill, I find some weaknesses. For example, the Opponent states that it has not retained relevant pre-2004 production and sales information, which hinders an assessment of goodwill up to that point – goodwill, after all being dependent on UK customers. And although the statement of grounds gives production and sales figures for 2004, those figures are not substantiated by evidence filed. Exhibit 1 indicates that over fifty thousand hectolitres of White Lightning were supplied in the two years up to February 2010, but the exhibit gives no indication of where or by whom the subject product was made, or to where or whom it was delivered; it is not clear, for example, whether it was supplied by the Opponent to UK customers.

49. However, I note the evidence provided by Mr Colquhoun where he states that the Opponent has manufactured and marketed substantial quantities of cider under the WHITE LIGHTNING name, from the early 1990s until 2010. I note too that Mr Colquhoun makes his statement based on information from his personal knowledge as General Counsel for the Opponent, or from information provided to him by "other persons or from corporate records to which [he has] access." (I will bear this in mind in the context of the chain of ownership, when I briefly deal later in this decision with the issue of with whom any goodwill may reside.)

50. Notwithstanding that the exhibits lack some of the sorts of materials (sales invoices, financial returns etc) that may typically be filed to evidence goodwill, the statement evidence of Mr Colquhoun is supported by the content of several exhibits that strongly corroborate the claim that White Lightning cider had both a reputation and goodwill based on sales in the UK extending from some time in the 1990s up to the cessation of production in early 2010. For example, the exhibits contain numerous indications that "White Lightning" was one of the most widely known brands of white cider at that time. Indeed, the evidence shows that it was a

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22 *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat)

notorious brand, referenced in campaigning by the Leader of the Opposition and in popular song lyrics; whilst not necessarily prized for its taste, the cheapness and potency of the product evidently drew significant custom, and the negative associations of the brand do not undermine the goodwill that arises from custom. In the circumstances, I find that substantial goodwill was generated through use in the UK of the sign “White Lightning” in respect of cider from the 1990s up to 2010. I find that to be the case even though the evidence reveals neither clear sales levels nor market share across the period of the mark’s use, and notwithstanding a reference in the evidence to declining sales following initiatives by the Opponent to reduce the size of its bottles (and the alcohol content).

51. Having established that use of the “White Lightning” sign generated goodwill during the period that the cider was marketed, the key question remains whether there was actionable goodwill as at the relevant date. It is clear from the Opponent’s submissions and evidence that production of White Lightning ceased as from early 2010, although the Opponent claims[23] that White Lightning cider is likely to have been available to purchase by consumers from independent convenience stores up to the middle of 2011. There is no evidence to support that point, although I accept that the retail supply would have continued for at least a modest while after cessation of production.

52. The Applicant applied for its mark on 28 December 2016, so the matter to be determined is whether, after a period approaching a maximum of eight years, the Opponent may be considered to have residual goodwill sufficient to support a claim of passing off at the relevant date, taking into account the circumstances of its decision to de-list the product (which latter point bears on the inter-related question of abandonment of goodwill).

53. Various cases have considered the effect on the existence of any previously established goodwill where a business ceases or suspends the use of a particular trade mark and/or trade or business altogether. There is no doubt that residual goodwill may subsist for a considerable period of time after the claimant has ceased or suspended carrying on business, although it is emphasised that each case will be determined on its own facts. Relevant factors include consideration of how substantial the goodwill was to begin with, the length of time elapsed since use, and whether the claimant has taken steps to keep the goodwill alive. Thus, in

[23] Para 4.20 of statement of grounds

Minimax the judge considered[24] whether a residual goodwill existed in 2003 in relation to a trade in fire fighting equipment which ended in the 1980s and stated as follows:

> "15. It is difficult to define any minimum threshold. It will all depend on the facts. How big was the reputation when use stopped? How lasting in the public eye are the goods or services to which the mark is applied? How, if at all, has the person asserting the existence of the goodwill acted in order to keep the reputation in the public eye? The greater each of these elements is, the longer, it seems to me, it will take for any goodwill to dissipate."

54. Differences in the factual matrices between cases will inevitably produce different decision outcomes, as the following consideration of some relevant case law illustrates:

- For example, I note that in the *Ad-Lib* case[25] (cited by the Opponent) the judge found enforceable goodwill sufficient to impede a venture under an identical sign, even though he accepted that the plaintiff company had no longer carried on the business of a club for five years and the original club had operated for less than two years. The original club had shut following noise complaints and the claimant argued that it continued to search for alternative suitable premises.
- In the *Thermawear* case[26] an interval of four or five years where the trade mark had not been used as such nonetheless sustained a passing off claim against sign "Vedonis Thermawarm", which was considered sufficiently close to the "Thermawear" sign relied on.
- In the *Liberty* case[27], Laddie J found residual goodwill where a band with only modest sales and a limited following had largely[28] ceased functioning six years prior to the conduct complained of. The judge held:

> "40. In my view this case is very close to the borderline, but I have come to the conclusion that Liberty 1 does have sufficient reputation. ... One has to draw conclusions from the material put before the court. It is common experience that the impact made by good musicians can last well after they have stopped performing and sometimes after their death. Needless to say, in the case of international stars this impact is nurtured by re-releases of their recorded music and the like. There is no equivalent here. Liberty 1 are not and have never been international stars. Not having secured a major recording contract, their impact has remained more local and limited. But I have come to the conclusion that the impact they made on their public in the mid-1990s is unlikely to

[24] Floyd J found no residual goodwill on the particular facts of that case.
[25] *Ad-Lib Club v Granville* [1971] FSR 1
[26] *Thermawear Ltd v Vedonis Ltd* [1982] RPC 44
[27] *Sutherland v V2 Music Limited* [2002] EMLR 28.
[28] The band claimed they never ceased operating and had recorded some new songs.

have disappeared. The enthusiasm for Liberty 1 does not sparkle as brightly as it did then, but it still glows."

55. Arnold J reviewed the law on residual goodwill in *Maslyukov v Diageo*[29]. The facts of that case involved single malt whiskies (goods that by their nature often carry a certain longevity) sold under and by reference to the name of the distillery at which the whisky was distilled, and included a relatively short interval in trade (just a year or two since the most recent release of whisky by the respondents and the application for a trade mark). It was held in that case that "the relevant business had not been abandoned so as to destroy the goodwill. It was true that the distilleries had been respectively turned into a museum and destroyed, but the respondents had not liquidated the companies which owned the distilleries, still less were the respondents as a whole liquidated. On the contrary, the respondents had continued to produce whisky, including single malt Scotch whisky, on a substantial scale."

56. *Maslyukov v Diageo* referred to the law as stated in Kerly's Law of Trade Marks and Trade Names (14th ed) at 15-077 (omitting footnotes):

> "If a business ceases or suspends trading temporarily, there remains a residual goodwill which the claimant might wish to sell or use in a reopened business. If once [sic] the business is definitely abandoned, however, so that the claimant no longer owns goodwill, there can be no passing off. Where no positive decision is made to abandon goodwill, but trade under the mark has nonetheless ceased with no concrete plan for restarting operations, the question of whether any residual goodwill survives, and for how long, is a question of fact in each case."

57. The same case also referred to Wadlow, The Law of Passing Off (3rd ed) at 3-178, which considered this issue further in the Supplement to the 3rd edition, where the Professor Wadlow quotes the following passage from the judgment of Lewison J. in *Ultraframe v Fielding*[30]:

> "1877. It is clear that, as a matter of law, goodwill can be abandoned. A common case in which abandonment is held to have taken place is where a business is discontinued, with no prospect of restarting, and its assets are broken up and sold: Pink v Sharwood (1913) 30 R.P.C. 725. Mr Purvis submitted that goodwill cannot be abandoned unless the person alleged to have abandoned it knew that he had it and intended to abandon it. However, the requirement of an intention to abandon was rejected in Norman Kark

29 *Maslyukov v Diageo Distilling Ltd* [2010] RPC 21 at [73] to [75]

30 *Ultraframe (UK) Ltd v Fielding* [2005] EWHC 1638 (Ch)

Publications Ltd v Odhams Press Ltd [1962] R.P.C. 163. Mr Wadlow says in his book The Law of Passing Off (3rd ed. para. 3-178):

> 'The better view is that if a business is deliberately abandoned in circumstances which are inconsistent with its ever being recommenced then the goodwill in it is destroyed unless contemporaneously assigned to a new owner.'

1878. I agree. In my judgment when QCL went into liquidation, without any attempt being made to sell any of its assets (still less sell the business and goodwill as a going concern), its goodwill was destroyed."

58. And to conclude my consideration of relevant case law on residual goodwill and abandonment of goodwill, I note the following from the judgment of Recorder Iain Purvis QC sitting as a Deputy Judge of the Patents County Court in 2013 in the *Brooks Brothers* case[31]:

"74 In my view, any such goodwill was plainly lost over time, regardless of the question of abandonment. The Defendant's case as to the maintenance of their goodwill is based on two matters. First they rely on what might be called the 'folk memory' or 'residual goodwill' enjoyed by the Peal & Co. brand in the minds of their customer base. This seems to me to be a hopeless argument. The customers of Peals in the 1960s would not have known that the goodwill had been acquired by Brooks Brothers. All they would have known was that Peals had ceased to exist. They would probably never have expected to be able to acquire Peals merchandise again, and any hope of doing so would have expired very quickly as they passed their trade to other suppliers, with no sign of Peals being revived.

A very few long-lived customers might, as of 2005, still have had some recollection of the old company, perhaps even with a dusty pair of shoes still in the cupboard. But this can hardly be described as an aspect of 'goodwill'. Goodwill is not merely the memory of a business. It is the 'attractive force which brings in custom'. The acid test for its existence in the present case must be whether, seeing a new pair of shoes bearing the 'Peal & Co.' name and the fox and boot brand, such customers would place any reliance on the quality of the old product from the early 1960s when considering whether to buy it. Plainly they would not. The brand would have to justify itself afresh. Residual goodwill cannot seriously expect to survive 48 years with no use.

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31 *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPCC 18

59. Applying the principles that may be gleaned from case law to the particular facts of the case before me and I find as follows:

i. *How great was its goodwill to begin with?* Here I factor in the length of time that White Lightning cider was marketed, the notoriety of the brand and volume of its sales. Evidence and submissions refer to its use "from the early 1990s"; the evidence is not very clear or robust on its first production and marketing, although the evidence of the media reports support the Witness Statement and the Wikipedia evidence that the cider was being made in the 1990s. Even taking the least generous assessment that the product was no longer available from the start of 2010, it seems that it had up to that point been sold for well over a decade and probably closer to fifteen years (or more). The evidence suggests that the brand had been a market leader for that type of good and shows significant production volumes for the goods under that brand right up to the last two years of production. Even allowing for the decline in sales and an absence of market share detail, the evidence depicts a brand that was readily referenced and widely recognised nationally. I conclude therefore that its goodwill was substantial at the time the product was de-listed.

ii. *The length of time elapsed between the product becoming unavailable and the date on which the Applicant applied for its mark.* The least generous construction of that period would be almost eight years, although it would be more realistic to allow at least a period of months for old-stock to sell out.

iii. *The question of abandonment and extent to which the brand has been maintained in the mind of the public*. This is not a case where the business has been wound up and its assets sold on. There has been no "deliberate abandonment of the business in circumstances which are inconsistent with its ever being recommenced" (per Wadlow). The Opponent continues to sell cider and other alcoholic goods. There is evidence of some media coverage of Opponent's decision to de-list the product and of the reasons it gave. Those reasons included references to categories like premium cider offering "better, more sustainable profit opportunities for retailers[32]" along with the implication that its withdrawal of the brand was socially responsible to discourage problematic consumption of alcohol. However, I do not consider the de-listing to be a step that equates to abandonment of the goodwill; rather (in line with my earlier finding) it is my view that the initiative to de-list was

[32] See evidence at paragraph 26(iii)(a) above.

essentially a marketing decision and it would be open to Opponent to reverse that position (even if taking or facilitating such a step may carry a certain moral or reputational tension).

60. The Opponent in this case has generated no custom under the mark in the intervening period and has taken no steps to maintain the brand. However, it appears from the evidence that the brand made quite an impact on the public and is recalled to an extent that it invites and leads retro puff pieces in the media[33] Moreover, despite the reports in evidence relating to Heineken's delisting of White Lightning[34], it seems to me unlikely that the decision and its rationale will have reached the majority of the customer base for the cider sold under that sign. I note, for example, that the debate evidenced in Exhibit 2 and documented at paragraph 26(iii)(l) above, which refers to "the drinks to be curbed" include "more recognisable brands" such as White Lightning. The indication that this was to be a future step, suggests that the author of that piece, published on 26 March 2014, was unaware that the brand had been delisted four years earlier.

61. I therefore find, that there was in this case residual goodwill at the relevant date, although, given the lapse of time and no active plans to revive the sign, and recalling the estimation given by Laddie J in the *Liberty* case, I recognise that the matter may be close to the borderline. However, whereas in the *Brooks Brothers* case Mr Purvis easily rejected the survival of residual goodwill in a shoe brand unused for 48 years, I find that the goodwill for the goods in the present case will not have dissipated in the much more modest intervening relevant timeframe.

62. Moreover, despite the various links in the chain of ownership referenced in the evidence[35], I see no reason at all to doubt that the Opponent is entitled to rely on the goodwill in the White Lightning sign.

Misrepresentation

63. The "White Lightning" sign in respect of which the Opponent has goodwill is identical to the trade mark applied for. The Opponent has goodwill in that sign is in respect of cider; the Applicant's specification is for goods in Class 33: *Alcoholic beverages (except beer)* and therefore covers cider. Indeed, both the name of Applicant (Inch's Cider Ltd) and the account

[33] See evidence at paragraph 26(iii)(i-l) above.
[34] See evidence at paragraph 26(iii)(c) and (f) –(h) above.
[35] Including the assignment evidenced at Exhibit 3.

in its counterstatement of its planned use of the mark, suggest that cider production is the motivating business rationale for the trade mark application. Given the identity of the sign/marks and the degree of identity in the goods, there is clearly a risk of misrepresentation in this case i.e. a risk that the relevant average consumer will assume that the goods under the Applicant's mark originate from the Opponent or from an undertaking to which it is economically linked.

64. The Applicant outlines, in its counterstatement, its plans for the production of a quite different cider product, to be sold in mason jars, on a limited scale and through farm shops and delicatessens. However, such marketing plans cannot influence my consideration of the risk of misrepresentation. Were the Applicant's mark to be registered, it would be open the Applicant to market its specified goods quite differently from those plans, or indeed to sell or license the mark to a third party who may be equally free in its marketing prospects. I also note the explanations given by the Applicant for its choice of name, referencing moonshine and allowing for a theme of named products (Blue Lightning etc). It should be noted however that a claim under passing off does not require that a misrepresentation should be intentional. It is the effect on the consumer that matters.

Damage

65. I find too that there exists the necessary component of damage, at least on the basis that were the Applicant's mark allowed to proceed to registration the Opponent would be deprived of the possibility of a brand revival or relaunch.

Outcome: The opposition succeeds on the basis of the grounds under section 5(4)(a) of the Act. In the circumstances, it is unnecessary for me to consider the claims made under the section 3(6) grounds, so, in the interests of efficiency of proceedings, I decline to do so.

COSTS

66. The Opponent has been successful and is entitled to a contribution towards its costs in line with the costs scale published in Tribunal Practice Notice 2/2016. I award the sum of £1100 (one thousand one hundred pounds) as a contribution towards the cost of these proceedings, calculated as follows:

Reimbursement of the official fee for Form TM7:	£200
Preparing a statement of grounds and considering the other side's counterstatement:	£300
Preparing submissions and evidence during the evidence rounds:	£600
Total:	**£1100**

67. I therefore order Inch's Cider Ltd to pay P Bulmer Limited the sum of £1300 (one thousand three hundred pounds) 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 14th day of January 2019

Matthew Williams

For the Registrar