

BL O-0233-23

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS

UK TRADE MARK NO 3533127 IN THE NAME OF KADDEER ASLAM  
IN RESPECT OF THE TRADE MARK:

**Born In Scotland**

AND

AND INVALIDATION THERETO UNDER NO 504415  
BY BORN IN SCOTLAND LIMITED

AND

IN THE MATTER OF UK APPLICATION NO 3635452  
IN THE NAME OF BORN IN SCOTLAND LIMITED  
IN RESPECT OF A SERIES OF FOUR TRADE MARKS:

**BORN IN SCOTLAND**  
**BORN IN SCOTLAND**  
**BORN IN SCOTLAND**  
**BORN IN SCOTLAND**

AND

AN OPPOSITION THERETO UNDER NO 429367  
BY KADDEER ASLAM

## Background and pleadings

1. On 14 September 2020, Kaddeer Aslam Limited (hereinafter 'KA') applied to register **Born In Scotland** as a trade mark under no. 3533127. It was subsequently registered for the following services:<sup>1</sup>

### **Class 35**

Retail services in relation to clothing accessories; Retail services in relation to confectionery; Online retail services relating to handbags; Online retail store services relating to clothing; Retail services in relation to clothing accessories; Retail services in relation to confectionery; Online retail services relating to handbags; Online retail store services relating to clothing.

2. Born In Scotland Ltd (hereinafter 'BIS') seeks invalidation of the registration under the provisions of section 47 of the Trade Marks Act 1994 (the Act). It does so on grounds under sections 5(4)(a) and 3(6) of the Act.

3. Under the 5(4)(a) ground BIS relies on the sign:

BORN IN SCOTLAND

4. It claims that the sign has been used in Scotland, since October 2019, for the following services:

Retail and online retail services connected with clothing, clothing accessories, teas, coffee, greeting cards, books, confectionery, food, beverages, sweets, biscuits, tableware, soft furnishings, cosmetics, skincare preparations, soaps, bath salts, candles, bags, protection masks, artwork.

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<sup>1</sup> International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

5. In summary the grounds are that KA's use of a mark identical to BIS's sign BORN IN SCOTLAND for identical or related services in class 35 amounts to passing off under the 5(4)(a) ground.

6. Under the 3(6) ground BIS submits that KA knew, at the time of filing his application, that he was using an identical sign for identical services and that KA filed the application, "...as a way to weaponise the name for use against any future trade mark applications filed by [BIS]." It submits that this behaviour falls short of the standards of acceptable commercial behaviour.

7. KA filed a counterstatement in which he denies the grounds of invalidation. With regard to BIS's bad faith claim, KA submits:

"The Registered Proprietor denies that at the time of filing the Registration it 'knew of the Applicant's business and its commercial activities' or that it 'knew that confusion in the marketplace was likely'."

8. On 30 April 2021, BIS applied to register as a trade mark, a series of four marks, under no 3635452, as follows:



9. Registration is sought for the following goods and services:

**Class 16**

Books; books for children; calendars; diaries; photographs; stationery; pens; printed matter; educational materials; greeting cards; Christmas cards; note books; note cards; postcards; posters; artwork prints; address books; gift bags; gift vouchers; travel guides; wrapping paper; activity books; labels; stickers;

colouring books; pencil cases; artists' materials; coasters of paper or cardboard; passport holders; geographical maps; flags; paintings; sketches; drawings; removable tattoos; book markers; lithographic works of art; recipe books; recipe binders; painting canvas; printed art reproductions; money holders; comics and comic books; drawing instruments; drawing materials; drawing sets; personal organisers; book markers; car bumper stickers; paper bibs; paper table cloths; paper table mats; plastic bags; disposable napkins; flags and pennants of paper; paperweights; boxes made of paper or cardboard; tissues formed of paper; wrapping material and packing paper; packaging materials; adhesives for household purposes; ornaments of paper or card; desk mats; embroidery, sewing and knitting patterns; works of art and figurines of paper and cardboard, and architects' models.

### **Class 18**

Wallets; purses; bags; tote bags; handbags; luggage; suitcases; rucksacks; document cases; bags for carrying animals; umbrellas; parasols; card cases; baggage tags; sporrans; walking sticks; clothing for animals; leads for animals; collars for animals; parts and fittings for all the aforesaid goods.

### **Class 21**

Cookware; kitchen utensils; glassware; mugs; household utensils; tableware; bakeware; crockery; vases; household containers; cookie jars; barware; bottles; flasks; hip flasks; tankards; cocktail shakers; water bottles; bottle openers; insulating sleeve holders for beverage cans; cheese boards; shaving brushes; aromatic oil diffusers; coasters; decanters; stoppers for bottles; coffee pots; teapots; chopping boards; bowls; trays; biscuit tins; egg cups; oven gloves; ironing board covers; soap dispensers; hair brushes; toothbrushes; picnic baskets; cooking utensils for barbecue use; portable pots and pans for camping; candlesticks; candle holders; candle extinguishers; brushes; porcelain ware; storage tins; piggy banks; soap dishes.

### **Class 24**

Tea towels; bed linen.

### **Class 25**

Footwear; kilts; waterproof clothing; earasais; trews; scarves; slippers; belts; gloves; dress costumes; dressing gowns; kimonos; swimwear.

**Class 30**

Coffee; tea; chocolate; coffee substitutes; condiments; honey; spices; pies; sandwiches; confectionery; sweets; rice; pasta; noodles; tapioca; sago; flour; sugar; honey; treacle; yeast; baking powder; marinades; relishes; chutneys; syrups; cocoa; artificial coffee; dried herbs; sauces; salts; pepper; flavourings and seasonings; spices; gravy mixes; stuffing mixes; sauce mixes; chocolates; ice cream; sorbets; edible ices; ice; ice cream substitutes; pizzas; prepared meals consisting primarily of rice; prepared meals consisting primarily of pasta; vegetable pastes; breads; bakery goods; biscuits; cakes; cakes flavoured with alcohol; dessert puddings; pastries; flans; tarts; waffles; cake mixtures; preparations made from cereals; crisps made from cereals; cereal-based snack foods; rice-based snack foods; grain-based snack foods; porridge; oat cakes; spice and herb mixtures to make haggis; spice and herb mixtures to make pies; boxes containing ingredients for prepared meals consisting primarily of grains, rice or pasta; cereals; muesli; popcorn; pretzels; flapjacks; crackers; candy; chocolate-based products; prepared cocoa and cocoa-based beverages; syrups and treacle; pasta; rice.

**Class 32**

Beers; non-alcoholic beverages; waters; fruit juices; fruit drinks; non-alcoholic cocktail mixes; syrups; non-alcoholic preparations for making beverages.

**Class 33**

Alcoholic beverages, except beers, spirits and whisky, all complying with the specifications of the PGI Scotch whisky; brandy; cider; cocktails; wine; low alcoholic drinks; preparations for making alcoholic beverages.

**Class 35**

Advertising; marketing; promotional activities; business management of wholesale and retail outlets; business intermediary services in the fields of selling products; business services, namely, providing a searchable online database featuring goods and/or services of vendors; franchise services; rental of advertising space; promoting the goods and services of others; business development; business administration; provision of an online marketplace for buyers and sellers of goods; providing consumer information relating to goods; business information services; organisation of trade fairs and exhibitions; search engine optimization for sales promotion; providing an on-line commercial information directory; ordering

services for third parties; assistance with the procurement of goods and services for others; electronic processing of orders for others; supply chain management services; database services to enable others to conveniently view and select goods from a website or software application; arranging and conducting marketing and promotional events for others; loyalty card services; arranging of online trading transactions and commercial contracts; sales volume tracking; business management; wholesale services, retail services, electronic shopping retail services, retail services provided by mail order, all connected with plant food, fertiliser, paints, varnishes, dyes, inks, cleaning products, cosmetics, animal grooming preparations, toiletries, perfumes, skincare preparations, soaps, non-medicated oils, bath oils, hair oils, sunscreen, shower gel, bath salts, essential oils, food flavourings, shaving soaps, creams, lip balms, reed diffusers, candles, Christmas tree ornaments for illumination, fragrant wax, vitamins, healthcare preparations, dietary food supplements, first aid kits, dressings, plasters, anti-bacterial preparations, anti-bacterial gel, gardening tools, hand tools, shaving razors, knives, pizza cutters, cutlery, cameras, sunglasses, contact lenses, chains for glasses, cases for glasses, binoculars, foreign plug adaptors, batteries, magnets, mobile phone covers, cases for electronic devices, mobile phone accessories, headphones, encoded gift cards, cards bearing machine readable information, CDs, DVDs, spirit measures, communication apparatus, media players, smartphones, tablets, handheld computers, e-readers, protection masks, medical masks, condoms, lamps, lamp shades, solar lighting, reed diffusers for scented oils, electric fragrance dispensers, wax warmers, hot water bottles, fireworks, jewellery, clocks, watches, earrings, necklaces, rings, tankards, quiches, figurines, ornaments, keyrings, musical instruments, books, books for children, calendars, diaries, photographs, stationery, pens, printed matter, educational material, greeting cards, Christmas cards, note books, note cards, postcards, posters, artwork prints, address books, gift bags, gift vouchers, travel guides, wrapping paper, activity books, labels, stickers, colouring books, pencil cases, artists' materials, cardboard coasters, passport holders, maps, flags, paintings, sketches, drawings, removable tattoos, playing cards, book markers, lithographic works of art, recipe books, recipe binders, painting canvas, artwork, wallets, purses, bags, tote bags, handbags, luggage, suitcases, rucksacks, umbrellas, card cases, baggage tags, sporrans, walking sticks, parasols, clothing for animals, leads for animals, collars for animals, furniture, mirrors, picture frames, animal beds, cushions, garden furniture, locks, keys, camping accessories, ornaments, cookware, kitchen utensils, glassware, mugs, candle

holders, household utensils, tableware, bakeware, crockery, vases, household containers, cookie jars, barware, bottles, flasks, hip flasks, tankards, cocktail shakers, water bottles, candle holders, bottle openers, insulating sleeve holders for beverage cans, cheese boards, shaving brushes, aromatic oil diffusers, coasters, decanters, stoppers for bottles, coffee pots, teapots, chopping boards, bowls, trays, biscuit tins, egg cups, oven gloves, ironing board covers, soap dispensers, hair brushes, toothbrushes, picnic baskets, barbecue accessories, camping accessories, candle accessories, brushes, porcelain items, storage tins, tea towels, bed linen, towels, cushion covers, blankets, picnic blankets, textiles, curtains, table cloths, throws, soft furnishings, bath linen, napkins, handkerchiefs, tartan piece goods, bunting, canvas artworks, clothing, headgear, footwear, kilts, clothing for children, clothing for babies, bibs for babies, waterproof clothing, t shirts, earasoids, trews, socks, underwear, scarves, slippers, belts, gloves, caps, aprons, fancy dress costumes, dressing gowns, kimonos, swimwear, ribbons, buttons, artificial plants, sewing kits, hair ornaments, charms, badges, brooches, rugs, mats, yoga mats, wall hangings, toys, games, board games, playthings, Christmas decorations, golf tees, golf balls, golf club covers, fishing equipment, toys for pets, sporting articles, balls for sport, electronic games, playthings for animals, jigsaws, card games, parlour games, novelties, mobiles being toys, teddy bears, figurines, video games apparatus, magicians' sets, costume masks, meat, fish, poultry, game, dried fruit, dried vegetables, jams, marmalades, fruit curds, dairy products, dairy substitutes, oils, eggs, snack foods, crisps, prepared meals, jellies, preserves, pickles, fruit spreads, soups, edible nuts, haggis, condiments, sauces, flavourings, seasonings, spices, herbs, marinades, vinegars, relishes, chutneys, breads, pastries, cakes, tarts, biscuits, confectionery, sweets, desserts, coffee, tea, cocoa, coffee substitutes, ices, honey, chocolate, pies, sandwiches, mixtures to make haggis, mixtures to make pies, cooking kits, boxes containing ingredients for meals, fresh fruit, fresh vegetables, grains, oats, seeds, bulbs, plants, flowers, pet food, beers, soft drinks, non-alcoholic beverages, waters, fruit juices, syrups, preparations for beverages, wines, cocktails, low alcoholic drinks, tobacco, tobacco substitutes, smokers' articles, electronic cigarettes and/or oral vaporizers; wholesale services, retail services, electronic shopping retail services, retail services provided by mail order, all connected with alcoholic beverages, spirits and whiskies, all complying with the specifications of the PGI Scotch whisky; consultancy, information and advisory services relating to all of the aforesaid services.

**Class 38**

Communication by online blogs; provision of access to content, websites and portals; providing access to electronic marketplaces; message sending via a website; online and/or digital communications services; mobile communications services; providing online forums; chat room services; transmission of greeting cards online; providing access to multimedia content online; telecommunications and communication services; secured data transmission services; transmission of encrypted communications; providing an online network that enables users to access and share content, data, files, images, documents and/or electronic works; consultancy, information and advisory services relating to all of the aforesaid services.

10. The application was published, following which, on 17 December 2021, KA filed an opposition against all of the goods and services in the application.

11. KA bases his case on section 5(1), 5(2)(a) and 5(2)(b) of the Act, relying on UK trade mark 3533127 for 'Born In Scotland' (subject to cancellation by BIS and referred to in detail at the top of this decision). KA relies on all of his services in class 35.

12. KA makes the following claim:

"The Applicant's Mark and the Opponent's Mark are identical or substantially identical. The Applicant's Mark and the Opponent's Mark are highly similar if not identical as the Opponent's Mark comprises the identical words Born In Scotland, and differs from the Applicant's Mark only by the formatting of the words in initial capitals.

The Class 35 services of the Opponent's Mark are identical to the Class 35 services of the Applicant's Mark. If any of the services of the Applicant's Mark are considered not to be identical to the services of the Opponent's Mark, they must be considered to be substantially identical or highly similar.



The Class 35 services of the Opponent's Mark are retail of the goods in Classes 18, 25 and 30 of the Applicant's Mark, which goods are identical, substantially identical or highly similar.

The similarity of the respective goods and services is obvious since they have the same producers, channels of trade and consumers.

There can be no argument that this will lead to a likelihood of confusion among the relevant consumers, including a likelihood of association.”

13. On 11 March 2022, BIS filed a counterstatement in which it denied the pleaded grounds relied on by KA.

14. Both parties filed evidence and skeleton arguments. A hearing was held by video conference on 24 January 2023 at which BIS was represented by Caroline Pigott of HGF Limited and KA was represented by Jacqueline McKay of Murgitroyd.

15. Both sides seek an award of costs on the usual tribunal scale, which can be found in tribunal practice notice (TPN) 2/2016.

## **Approach**

16. I will deal first with BIS's application to invalidate KA's registered trade mark 3533127 and the case raised under sections 47 and 5(4)(a) of the Act.

17. The relevant part of section 47 reads:

“47. - (2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground -

(a) ...

or

(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.”

18. Section 5(4)(a) of the Act states that:

“5(4) 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, where the condition in subsection (4A) is met...

(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

19. In *Reckitt & Colman Products Limited v Borden Inc. & Ors*,<sup>2</sup> Lord Oliver of Aylmerton described the ‘classical trinity’ that must be proved in order to reach a finding of passing off:

“First, [the plaintiff] must establish a goodwill or reputation attached to the goods or services which he 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 his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he 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 him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that

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<sup>2</sup> [1990] RPC 341, HL, page 406.

he 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."

20. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant 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 indicium 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 two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which 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 claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (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 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”.

### **Relevant date**

21. In terms of the relevant date for assessment of this ground, in *Advanced Perimeter Systems Limited v Multisys Computers Limited*,<sup>3</sup> Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*:<sup>4</sup>

‘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.’”

22. The filing date of the contested trade mark is 14 September 2020. However, in his evidence KA claims to have used the sign ‘Born In Scotland’ before the date of first use claimed by BIS. I note that this was not a pleading put forward in KA’s defence and there is some contradiction as to whether KA’s claimed use dates from 2018 or a point in 2019 that is earlier than 14 September 2020, but I will return to this point later in the decision.

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<sup>3</sup> BL O-410-11

<sup>4</sup> BL O-212-06

23. I will consider BIS's prima face case that it has goodwill in the Born In Scotland sign and determine whether KA's mark Born In Scotland was, at the date of its application, liable to be prevented by the law of passing off. If BIS succeeds, then I will return to KA's case that he is in fact the senior user. I say this because, although a Section 5(4)(a) claim has to be established at the date of the application, it is clear that an opponent could have had no such right if an applicant's use is protected in the UK from an earlier date or if, by the relevant date, an applicant had established his own actionable goodwill in the UK (*Habib Bank* [1982] RPC 1 at 24).

## **Goodwill**

24. The first hurdle for BIS is to show that it had the requisite goodwill at the date of KA's application for the contested mark. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“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.”

25. BIS must show that it had goodwill in a business at the relevant date and that the sign relied upon, BORN IN SCOTLAND, is associated with, or distinctive of, that business. The relevant evidence is contained in the first witness statement of John Henderson and attached exhibits JH1- JH16. It and my conclusions from it follow.

## BIS evidence in chief

26. Mr Henderson is a director of BIS,<sup>5</sup> and is one half of the team behind the retail business which began in 2019. His statement is dated 24 June 2022. Mr Henderson describes the business ethos as follows:

*“2. I created the BORN IN SCOTLAND brand to promote and sell Scottish-made products aimed at both the local market as well as tourists. There are a number of traditional tourist shops in Edinburgh but I had identified a gap in the market for good quality Scottish products, books and design which also maintain a sense of humour. The tagline used by the BORN IN SCOTLAND stores is ‘unique and irreverent Scottish gifts’. The plan at the outset was to open a store in the centre of Edinburgh and, if successful, expand the offering and to open stores across Scotland, whilst developing an online presence and a UK-wide customer base.”*

27. BIS’s first store opened in Waverley Market<sup>6</sup> in Edinburgh in October 2019. Its second store opened at Sterling Mills, between Stirling and Dunfermline, on 6 July 2020.

28. Turnover figures are provided for the period 10 October 2019, (when BIS began the Born in Scotland business), and 13 September 2020 (the day before KA’s application was filed). The figures are as follows:<sup>7</sup>

<b>Store:<sup>8</sup></b>	<b>Total sales:</b>
Born in Scotland	£246,998.30
Born in Scotland Tillicoultry	£161,029.13

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<sup>5</sup> Incorporated in September 2020.

<sup>6</sup> Called Waverley Mall until September 2021, see exhibit JH1.

<sup>7</sup> See exhibit JH14.

<sup>8</sup> Figures for ‘Born in Scotland’ refer to the original store in Waverley Mall and figures for ‘Born in Scotland Tillicoultry’ refer to the second store at Sterling Mills.

29. Mr Henderson provides a breakdown of sales by area which shows sales throughout many areas of Scotland, many locations in England and one part of Wales.<sup>9</sup> I note however that goodwill is only claimed in respect of Scotland.

30. Promotion of the business occurs via social media posts by BIS and in posts from some of the designers selling goods in BIS stores. In addition, third parties such as the shopping areas in which the BIS stores are located also promote the BIS stores as part of their own promotions. For example, Waverley Market announced the opening of the first BIS store on 18 October 2019:<sup>10</sup>



31. BIS promotes the goods available in its stores on its own social media accounts, for example, the Born in Scotland promotion on *facebook* of Bawbags, which includes a link to the Born in Scotland online store:<sup>11</sup>

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<sup>9</sup> See exhibit JH13.

<sup>10</sup> See exhibit JH2.

<sup>11</sup> See exhibit JH2.



32. Another example is the Born in Scotland promotion of a range of Irn Bru themed goods, which includes a link to the Born in Scotland website:<sup>12</sup>



33. The outside of the store can be seen in tweets by Edinburgh Sketcher and Curious Creatures, two of the creators who supply goods to BIS:

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<sup>12</sup> As above.





34. On 1 July 2020, one of BIS's suppliers announced its delight at supplying the Born in Scotland store at Sterling Mills and retweeted the launch tweet from Born in Scotland:<sup>13</sup>



35. BIS promotes individual designers who feature in store, for example Buckie and Brew candles and QuirkyGiftsUK:

<sup>13</sup> See exhibit JH2.



36. It also promotes products such as face masks and its own branded sweets:



37. Social media pages show the words Born in Scotland with the first B and the S of Scotland in upper case. This is presented to the right of a turquoise circle with the words BORN IN SCOTLAND in upper case, as follows:



38. Mr Henderson provides a copy of an article written by Waverley Market. It is a shop 'spotlight' feature about the 'Born In Scotland' store. It was published on 14 September 2020.<sup>14</sup> The following is shown at the top of the article:

## BORN IN SCOTLAND

39. At the hearing Ms Pigott, acting for BIS, drew my attention to the shop description which reads:

*“Stocking a wide range of cards, jewellery, food, clothing and other unique gifts, Born in Scotland are passionate about supporting local, independent Scottish artists and suppliers and that is evident throughout their shop with their eye-catching displays of quality products with no tartan tat in sight”*

40. A photograph of the interior of the shop, used for the article, appears as follows:



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<sup>14</sup> See exhibit JH4.

41. Mr Henderson provides a copy of an article from The Herald newspaper.<sup>15</sup> It is dated, 5 December 2020, but refers to events before the relevant date. The article is titled, *'Rapid growth for new gift shop chain that is more Irvine Welsh than Walter Scott'*. It explains that Mr Henderson had observed 'weary commuters' making their way through Waverley Station looking *'a bit miserable'* and decided to switch from his craft beer café business to, *'...a retail outlet called Born in Scotland, selling kind of contemporary Scottish design-led stuff, but in a fun way'*. Ms Pigott drew my attention to the comment in the article that in December 2019 the store turned over £75,000 leading Mr Henderson to open a second larger outlet in February 2020. Due to covid restrictions the second store at Sterling Mills<sup>16</sup> is said to have actually opened in July 2020.

42. At the time of writing the article a store had been opened in St Enoch Centre in Glasgow (October 2020), with the lease having been arranged in August 2020.<sup>17</sup>

43. A facebook post by Born in Scotland is dated 1 July 2020 and appears as follows:<sup>18</sup>



<sup>15</sup> See exhibit JH5.

<sup>16</sup> The Sterling Mills store is located between Stirling and Dunfermline as shown on the map exhibited at JH6.

<sup>17</sup> See paragraph 10 of Mr Henderson's first witness statement.

<sup>18</sup> See exhibit JH7.

44. The following goods have been promoted by BIS or third parties, or are visible in in-store photographs made public before the relevant date (I present this information in table form for ease of reference):

<u>Goods</u>	<u>Promoted</u>	<u>Visible</u>
Boxer shorts & briefs	By BIS on fb	New store promotion
Candles	By BIS, Buckie and Brew Shop spotlight – Isle of Skye candles and Cheryl Jones designs.	In various store photographs and in the Waverley Market (WM) promotion.
Earrings	By BIS – Irn Bru promotion	WM new store photographs.
Necklaces	By BIS – Irn Bru promotion	
Books	Tweet by author promoting goods at BIS store.	WM new store photographs.
Scarves		WM BIS promotion.
Artwork		Herald article, new store promo and Edinburgh sketcher post.
Facemasks	BIS promo on fb.	
Cards		At least, spotlight article, Herald article.
Cushions		BIS new store tweet, Edinburgh sketcher.
Mugs	Featured in WM promo article for Valentines' Day.	Visible in store promo by WM, visible in Irn Bru Bru promo fb, Tunnocks mugs in BIS new store promo and spotlight, Edinburgh sketcher, Gie it Laldy in spotlight.
Sweets		visible in store promo by WM, BIS promo tweet BIS own brand sweets.
Fudge		Spotlight article.

Chocolate	BIS fb promo, Quirky Gifts, IRN BRU promo fb.	
Drinks	IRN BRU promotion on fb,	BIS new store promo, Herald article.
Barbeque rub	Featured in two IRN BRU promotions on fb, by BIS.	
Barbeque sauce		Buckfast BBQ sauce featured at the end of the spotlight article.
T shirts		Visible behind featured items in two Irn Bru promotions on fb, Tunnocks tea cake t-shirt visible in the Spotlight article and the Herald article.
Coasters		Featured in WM promo for Valentines' Day.
Soap/toiletries	Featured in IRN BRU promo on fb.	Spotlight article, Herald article.

45. Invoices are provided which show the purchase of goods, by BIS, for sale in its stores.<sup>19</sup> For ease of reference, I present these in table form, in date order, as follows:<sup>20</sup>

<b>Supplier:</b>	<b>Date:</b>	<b>Delivery to:</b>	<b>Goods purchased by BIS:</b>
Gillian Kyle	16.03.20	Born in Scotland	85 items including, cushions, t-shirts, coasters, mugs, totes, notecards.
RÓIS	08.06.20	Born in Scotland – Sterling Mills	68 pieces of jewellery including earrings, necklaces and keyrings.
The Ochil Fudge Pantry	12.06.20	Scottish Borders Brewery Ltd,	16 types and flavours of fudge including gift fudge, tablet fudge and cubes.

<sup>19</sup> See exhibit JH14.

<sup>20</sup> One of the provided invoices is addressed to Mr Henderson's former company and is not included in this table.

		trading as Born in Scotland	
Joe Cool	01.07.20	Born in Scotland – Sterling Mills	224 items, including socks, scarves, bangles, compact mirror, umbrellas, earrings, necklaces.
Hole in my pocket	28.07.20	Born in Scotland	366 items including, cards, mugs, notebooks, Jotters, T-shirts, magnets, prints, coasters.
Gie It Laldy	01.09.20	Born in Scotland – Sterling Mills	1000+ items including, mugs, coasters, cards, badges, tote bags.
Gillian Kyle	01.09.20	Born in Scotland	268 items including, t-shirts, tea towels, coasters, mugs, vests, totes, cushions, clocks, baby jumpsuits.

### Sponsorship

46. Mr Henderson states that in July 2020 he negotiated a sponsorship arrangement with Newtongrange Star Youth Football club. A facebook post from the club dated 8 August 2020 announces the new sponsorship arrangement and welcomes Born in Scotland to the Newtongrange Star Youth family as a club and shirt sponsor for the coming season. Pictures of goody bags provided by Born in Scotland are shown in two photographs. The BIS sign appears in white on a turquoise rectangular background on the goody bags themselves. In the main body of the announcement, it appears as follows:

**BORN IN SCOTLAND**

### **Conclusions from the evidence**

47. It is clear from the evidence that from October 2019 BIS was operating initially one and by the relevant date, two, retail stores in Scotland, with a lease agreed for a third. By the summer of 2022, when Mr Henderson wrote his first witness statement, BIS was operating ten retail stores in Scotland. Whilst this is not relevant in terms of

evidence relied on for the period up to the relevant date, it does support my view, taken from the evidence, that at the relevant date BIS was operating a rapidly growing business, rather than one in stasis or in decline.

48. The retail stores were operated under the sign BORN IN SCOTLAND, which was also used for some social media promotion, on own brand goods, such as sweets, and for the sponsorship of a local youth soccer team.

49. In addition, there is text use of 'Born in Scotland' in articles, promotions and next to the turquoise logo on social media pages. Whilst no figures have been provided in respect of advertising spend, there is a consistent pattern of social media promotion by BIS and by third parties, throughout the period running up to the relevant date as well as sponsorship of a local youth football team.

50. Whilst BIS's goodwill at the relevant date was not huge, I am satisfied that BIS had sufficient goodwill in its business at the relevant date and that BORN IN SCOTLAND was the sign associated with that goodwill. Goodwill rests in the words themselves rather than any particular presentation.

51. BIS has claimed goodwill only in respect of Scotland and the evidence certainly supports that claim.

52. In terms of the goods to which the retail service relates, BIS claims goodwill in the following:

Retail and online retail services connected with clothing, clothing accessories, teas, coffee, greeting cards, books, confectionery, food, beverages, sweets, biscuits, tableware, soft furnishings, cosmetics, skincare preparations, soaps, bath salts, candles, bags, protection masks, artwork.

53. BIS's evidence with regard to the goods sold could have been better marshalled. Invoices for goods bought by BIS to be sold in its stores do not relate to the whole range of goods for which goodwill is claimed. In-store images have enabled me to



identify other goods on sale across the period up to the relevant date, but many of these images are blurry and consequently prevent some of the particular goods from being identified. Taking account of the evidence, including invoices for goods purchased by BIS to be sold in its stores and social media promotions and articles about the BIS business (where I have been able to identify particular goods on sale in the relevant period), I find protectable goodwill in the BORN IN SCOTLAND sign for the following:

Retail and online retail services connected with clothing, clothing accessories, greeting cards, books, confectionery, beverages, sweets, tableware, soft furnishings, soaps, candles, bags, protection masks, artwork.

54. I note that KA has filed evidence of BIS's use of 'Born In the Borders' branding for a café at Langley Mill, as an indicator that BIS does not use the sign 'BORN IN SCOTLAND'. I do not find this evidence helpful as BIS has made no claim to goodwill in respect of café services and is entitled to brand different aspects of its business in whatever way it sees fit. The claim is made in relation to retail services in relation to the sale of particular goods and it is that claim that I have considered above.

55. KA has also made much of the fact that BIS did not incorporate its 'BORN IN SCOTLAND' business until 1 September 2020. This is not relevant. It is not necessary to incorporate a company before beginning trade and I have found that at the relevant date of 14 September 2020, BIS had the necessary goodwill in its business, identified by the sign 'BORN IN SCOTLAND', to pass the necessary goodwill 'hurdle' to begin a claim of passing off.

## **Misrepresentation**

56. In *Neutrogena Corporation and Another v Golden Limited and Another*, Morritt L.J. stated that:<sup>21</sup>

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is:

‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]?’

The same proposition is stated in *Halsbury's Laws of England 4th Edition Vol.48 para 148*. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd. (1941) 58 R.P.C. 147 at page 175*; and *Re Smith Hayden's Application (1945) 63 R.P.C. 97 at page 101.*”

57. On the subject of how many of the relevant public must be deceived or confused for the opponent to be successful in a claim under this ground, I bear in mind the decision in *Lumos Skincare Limited v Sweet Squared Limited and others*,<sup>22</sup> in which Lord Justice Lloyd commented on the paragraph above as follows:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the ‘substantial number’ of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the

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<sup>21</sup> [1996] RPC 473

<sup>22</sup> [2013] EWCA Civ 590

Claimant's business, then the substantial number will also be proportionately small.”

58. With regard to the location of the goodwill shown by the opponent, it lies in a business operated in Scotland. The nature of the retail service, being the sale of Scottish themed gifts, is likely to mean that its customers are members of the general public, which will include, inter alia, local sales as well as sales to tourists and Scots living outside Scotland. In *Caspian Pizza Limited and Ors v Shah and Ors*<sup>23</sup> the court was required to consider local goodwill generated by two parties, in two geographic areas. However, the following paragraph from that case is relevant here:

“23. It is, I think, implicit in these provisions that opposition under s.5(4) based on earlier use of the mark does not have to be use throughout the UK or alternatively in a geographical area which overlaps with the place where the applicant for registration actually carries on business using the same or a similar mark. As the Hearing Officer explained in *SWORDERS*, the application for a national mark operates as a notional extension of the use of the mark over the whole of the country. The only requirement is that the opponent should have established goodwill in the mark over an identifiable geographical area that would qualify for protection in passing off proceedings. Reputation may be enjoyed on such a small scale that it does not generate goodwill at all...but goodwill which is established in a particular locality will be capable of preventing registration of a countrywide mark.”

59. In other words, the fact that the goodwill claimed by BIS is less than national does not prevent the claim succeeding since the contested trade mark application is a UK registration which, notionally, may be used in the same geographic area.

60. BIS has established goodwill in the sign ‘BORN IN SCOTLAND’. The contested mark is ‘Born In Scotland’. Clearly these are identical signs. In terms of distinctiveness, the earlier sign alludes to a sense of Scottishness, either as a reference to the seller, the purchaser or the goods being sold, but it does not directly describe the services

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<sup>23</sup> [2017] EWCA (Civ) 1874

offered. It has a degree of playfulness which results in the sign possessing a slightly lower than average degree of inherent distinctiveness overall.

61. The contested mark is registered for retail services in relation to clothing accessories, retail services in relation to confectionery, online retail services relating to handbags and online retail store services relating to clothing. I have found BIS to have goodwill for clothing accessories, confectionery and bags. Clearly these are identical or highly similar services.

62. I return to KA's argument that he is in fact the senior user of the sign 'Born In Scotland' for retail services, as defined in the previous paragraph.

63. KA claims in his first witness statement:<sup>24</sup>

*"I have operated, and continue to operate, three successful stores in Edinburgh in which I and the Family Business has been selling our Born In Scotland own branded products since at least 2019."*

64. In his second witness statement KA states he has been:

*"8...trading goods and supplying services under the BORN IN SCOTLAND trade mark since 2018."*

65. And concludes:

*"I have lawfully and actively continued the use of my registered trademark BORN IN SCOTLAND and continue to advance with my long-term plans in utilising my legitimately and lawfully acquired trademark for the goods and services that I supply, including promoting local artists and selling their artworks under my brand BORN IN SCOTLAND from premises acquired prior to 2019. These premises also sell my goods branded BORN IN*

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<sup>24</sup> Dated 28 June 2022.

*SCOTLAND and have, since that date, been earmarked to be called BORN IN SCOTLAND stores.”*

66. KA filed an email from a designer who states he has been putting together KA’s Born In Scotland website and branding since ‘early 2019’.<sup>25</sup> At the date of that email, 27 June 2022, the website is described by the designer as, ‘about 95% complete’.<sup>26</sup>

67. An example of a Born In Scotland swing tag design is provided and is dated 8 June 2020.<sup>27</sup> There is no dated evidence of this swing tag being used on goods for sale. The exhibit also contains two identical invoices dated 19 June 2020 for the purchase of 500 tartan face masks. The first is a photograph of an invoice on a computer screen. It is addressed to Scot Brother Edinburgh. The second is the same date and invoice number, for the same goods and is addressed to Born In Scotland. The invoices are heavily redacted and show only that the goods have been purchased from Pakistan. Two further invoices have been filed with the same format and are for 750 tartan face coverings and 64 kids bagpipes. They are dated 7 August 2020 and 3 September 2020, respectively.

68. Photographs of goods are included in KA’s evidence. One appears to be a face mask with a swing tag on it which is a stylised picture of a stag with the word Scotland visible below it. The image is of poor quality and is undated.<sup>28</sup>

69. Photographs are provided of a hoodie with a neck tag with the same stag head and the words BORN IN SCOTLAND below the image. A swing tag also has BORN IN SCOTLAND on it as well as [www.borninScotland.com](http://www.borninScotland.com). The image is not dated. An undated image of a sweatshirt with the same ‘stag’ tags on the neck and swing tag is also provided.

70. Also exhibited is an image of a tartan item (I cannot see what the item is) with a different swing tag attached to it. The image on the tag is a highland cow with the words BORN IN SCOTLAND below the image. An ® is shown next to the wording. The image

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<sup>25</sup> The contents of the email have also been put into a witness statement by the designer, Riccardo Chapman, dated 28 September 2022, the content is the same in both versions.

<sup>26</sup> See exhibit KA02.

<sup>27</sup> See exhibit KA08.

<sup>28</sup> See exhibit KA08.

is undated but if the words BORN IN SCOTLAND are a registered trade mark at the time this photograph was taken (which must be the case in order to use the R in a circle symbol) then this image must have been taken after the relevant date. The same is true of the remaining, undated pictures of kilts and a bag, all of which include the registered mark with the ®.<sup>29</sup>

71. Six further invoices are addressed to Born In Scotland at an address in Lawnmarket, Edinburgh. They are for kilts and kilt accessories and caps and are dated from May 2020 to April 2022. One invoice is addressed to Born In Scotland at Cockburn Street, Edinburgh. It is for T-shirts and is dated December 2021.

72. In response to KA's claim that his three Edinburgh stores use Born In Scotland branding, Mr Henderson filed an additional witness statement and exhibits. With regard to the store at Cockburn Street, Mr Henderson provides a Google photograph dated July 2019 and two photographs taken on a mobile phone and dated 28 June 2022 and 25 August 2022. In all three images the store sign reads 'Scott Brothers'.<sup>30</sup> The sign above the store at Canongate reads, 'Mama Said', which can be seen in a Google image dated March 2021. Photographs taken on a mobile telephone and date stamped 28 June 2022 and 25 August 2022 of the same store show 'Mama Said' on the shop sign.<sup>31</sup> Similarly, the store in Lawnmarket is shown in a Google image dated September 2020 and a mobile phone photograph date stamped 28 June 2022. The store name is shown as 'Olde Edinburgh'.

73. It is clear from the evidence that, despite beginning discussions about a Born In Scotland website in 2019, in June 2022, KA's 'Born In Scotland' website was not yet up and running, as confirmed by the email from the website designer. Neither the designer or KA have provided any correspondence between them, any instructing emails or any plans or proposals for website design, content or functionality.

74. The branding on the front of KA's stores had not changed to 'Born In Scotland' before the relevant date and still had not changed by at least June 2022, considerably after the

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<sup>29</sup> See exhibit KA09 for all of the evidence relating to photographs of KA's goods.

<sup>30</sup> See exhibit JH21.

<sup>31</sup> See exhibit JH22.

relevant date. The stores continued to be branded, Scott Brothers, Olde Edinburgh and Mama Said. In his second witness statement KA submitted that the stores were not trading under the name 'Born In Scotland', but that certain areas of the stores were being used to trial selling BORN IN SCOTLAND goods. That may be the case, but it is for KA to demonstrate that with evidence and he has not done so. Undated images of goods bearing 'BORN IN SCOTLAND' tags are not evidence of retail services being offered under the 'Born In Scotland' sign.

75. Similarly, invoices addressed to 'Born In Scotland' for the purchase of goods which are not in any way identified as carrying Born In Scotland branding, are not, in and of themselves, evidence that the consumer was able to access either Born In Scotland goods or retail services under the sign 'Born In Scotland', before the date of first use claimed by BIS. Even if the invoices were persuasive (and they are not), all of the invoices with the exception of one are dated after the opening of BIS's first store in September 2019. There is no evidence that the relevant public had been exposed to KA's 'Born In Scotland' branding for retail services or goods, either in his stores or via an online platform.

76. Having taken all of KA's evidence into account, I find that KA has not shown any goodwill in the sign 'Born In Scotland' for retail services of any kind prior to the date of first use shown by BIS in their evidence.

77. Consequently, having found the earlier sign and the contested mark to be identical and having found the services for which the contested mark is registered and the services for which BIS's earlier sign has goodwill to also be identical, it is clear that a person aware of BIS's retail business would, when encountering KA's identical business under the same sign, conclude that both originate from the same undertaking. In other words, use of KA's mark at the relevant date (the date of application for the moment) would have constituted a misrepresentation to a substantial number of people. In making this finding I bear in mind the comments in *Lumos Skincare* above and consider the relevant public to be BIS's actual or potential customers.

## Damage

78. Having found that the goodwill and misrepresentation limbs of the test have been satisfied in respect of most of the goods and services, it follows that damage to the BIS's goodwill will arise, most obviously, by diverting trade from BIS to KA.

79. In *WS Foster & Son Limited v Brooks Brothers UK Limited*,<sup>32</sup> Mr Recorder Iain Purvis QC stated:

“Damage

55 Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark. Mr Aikens accepted that if there was a misrepresentation in the present case, then he had no separate case on damage. I hold that damage is inevitable, at least in the sense recognised in *Sir Robert McAlpine v Alfred McAlpine* [2004] RPC 36 at 49 (the ‘blurring, diminishing or erosion’ of the distinctiveness of the mark).”

80. I therefore find that use of KA's mark at the relevant date was liable to be restrained under the law of passing off in respect of all of the services for which it is registered.

**81. BIS's cancellation application succeeds under sections 47(2)(b) and 5(4)(a) of the Act.**

**BIS's claim under section 3(6) of the Act**

82. The relevant section reads as follows:

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<sup>32</sup> [2013] EWPC 18



“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

83. The relevant caselaw for assessing a claim under this ground can be found in *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 in which the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to

distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54].”

84. I also bear in mind *Alexander Trade Mark*,<sup>33</sup> in which the key questions for determination in a claim of bad faith were expressed as:

(a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?

(b) Was that an objective for the purposes of which the contested application could not be properly filed? and

(c) Was it established that the contested application was filed in pursuit of that objective?

85. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani*

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<sup>33</sup> BL O/036/18

*(Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

### **BIS's bad faith claim**

86. In its statement of case BIS submitted that it has reason to believe that at the time of filing the contested registration, KA knew of BIS's business and its commercial activities. It submits that KA knew that BIS was using an identical sign for identical services and that confusion in the marketplace was likely.

87. BIS concluded that KA filed the application for Born in Scotland as a way to 'weaponise' the name for use against any future trade mark applications filed by BIS.

89. In support of its case BIS filed a witness statement by Gillian Elliot, trading as Gillian Kyle. Ms Kyle is one of the designers whose work is sold in the BIS stores. She has obtained licences from famous Scottish brands such as *Tunnocks* and *Irn Bru* and designs products such as, inter alia, t-shirts, mugs, bags and artwork, incorporating those brands. Her statement is dated 24 June 2022 and includes the following:

*6. On 7 September 2020, I received an email from Kaddeer Aslam, noting his interest in becoming one of my trade customers. I replied on 11 September 2020, requesting more information from Mr Aslam about his business. He responded on the same day identifying two stores, one named 'Olde edinburgh' and the other 'Born in Scotland'. On 14 September 2020, I wrote to Mr Aslam, advising him that I already supply Born In Scotland, noting they had stores in Edinburgh and elsewhere. I asked if he was aware of Born In Scotland. I received a reply from Mr Aslam around 30 minutes later confirming that he is aware of Born In Scotland, including the location of their stores. This last email was sent at 13:05 on 14 September 2020.*

90. The email chain referred to is provided and includes the following response from KA to Ms Kyle following a request from her for further information concerning his businesses (reproduced as written):

*Friday 11 September 2020*

*“...Olde edinburgh  
479 lawnmarket  
Edinburgh*

*Born in Scotland  
204 canongate edinbuegh*

*To open yet  
40 cockben street  
Edinburgh*

*Website in progress as with social media handles...”*

91. In response, Ms Kyle said she already supplied a customer called BORN IN SCOTLAND and asked KA if he was aware of them. On 14 September 2020 at 13.05 KA responded (reproduced as written):

*“They based in Waverly market only / and a unit up north - that's it  
I have great located shops / I'm on  
Lawn market  
Canongate  
Cockburn street  
And opening soon on the royalmile - my focus will be Scottish artists  
creating a platform I own my own premises/  
im a surveyor/ my sister a banker - we been on the old town since 1989”*

92. KA filed his trade mark application on the same day as that email exchange took place and as a result BIS's attorney filed a freedom of information (FOI) request at the IPO to determine the exact time of filing of KA's contested UK trade mark. The FOI response was sent to BIS's attorney on 1 December 2021 and includes the following:

*“...we do hold an XML data file that shows the date and time of submission of the application as 14 September 2020 at 15.47.”<sup>34</sup>*

93. In defence of the 3(6) claim KA states that:<sup>35</sup>

*9. In the summer of 2018, I conceived the idea of 'Born In Scotland' as a new brand name. I was at a restaurant in Edinburgh having a celebratory anniversary dinner with my wife when I noticed the words 'Born in Scotland' used descriptively on the wall of the restaurant. I immediately thought that Born In Scotland would make a great name for a brand for my retail service, selling Scottish themed products in my stores and online, and I proceeded to check the domain name availability. I was able to secure the domain names 'Born In Scotland.com' and 'Borninscotland.co.uk'. The fact that I hold the domain names and sought registration of them is evidence of my establishment of my brand at that time, as well as intent to use the brand and intent to prevent third parties using it as far back as 2018.<sup>36</sup>*

94. He continues:

*11. Having secured the domain names, I naturally began to put into action my plans to sell a range own brand/label products and took practical steps to execute that vision.*

95. Evidence of KA's work concerning the establishment of 'Born In Scotland' is the same as that filed for the purpose of establishing goodwill. It includes the email from a designer (referred to at paragraph 66 above) confirming that he and Mr Kaddeer discussed 'Born In Scotland branding and website early in 2019'.<sup>37</sup> The email is dated 27 June 2022 and concludes with Mr Chapman stating that, 'the website is about 95% complete'.

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<sup>34</sup> The FOI response goes on to explain how this time might be reflected in the automatically generated filing email, but that is not relevant here. In disputes concerning the timing of filing of documents before this tribunal the XML data is considered to be the definitive date and time of filing of a document.

<sup>35</sup> See Mr Kaddeer's first witness statement, dated 28 June 2022.

<sup>36</sup> Exhibit KA1 is a registration of the domain name Borninscotland.co.uk, dated 13 September 2018.

<sup>37</sup> See exhibit KA02.

96. It also includes an invoice which KA states is proof of him buying Born In Scotland goods to sell in his stores.<sup>38</sup> The invoice is addressed to Born In Scotland at 40 Cockburn Street. All of the goods listed are described as 'EDINBURGH embroidered goods' and all are items of clothing (hoodies and sweaters). It is dated 14/8/2018.

97. KA also exhibits an email exchange between himself and John Henderson (a director of BIS).<sup>39</sup> Mr Henderson requested to purchase one of KA's borninScotland domain names. It is not clear from the exhibit whether this request related to the .com or .co.uk domain. Mr Henderson's first request through Freeola is not dated. KA responded on 23 September 2020 saying that he will 'be holding on to it as I'm hoping to use it'. There is what looks to be another response from KA to Mr Henderson four days later, but this has not been included in the exhibit.

98. I pause here to note that registration of domain names does not give the holder any trade mark rights and despite KA's claim in his second witness statement that he 'registered the mark in 2018', this is not the case.

99. KA concludes:

*"29. I have spent a significant period of time, a lot of effort, and considerable outlays building up the important brand that is the mark Born In Scotland. It is my brand, of which I am very proud, and to which I and the Family Business have dedicated our energies over the past four years."*

100. In BIS's reply evidence Mr Henderson drew my attention to the following:<sup>40</sup>

*"20. Mr Aslam admitted in his email exchange with Ms Kyle in September 2020 that his 'Born in Scotland' store at 204 Canongate was 'to open yet' and 'website in progress as with social media handles'. I am now shown Exhibit JH18, dated screenshots from 5 November 2021 of*

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<sup>38</sup> See exhibit KA03.

<sup>39</sup> See exhibit KA04.

<sup>40</sup> See Henderson, second witness statement, dated 24 June 2022.

*www.borninscotland.com and www.borninscotland.co.uk, both of which are owned by Mr Aslam. It shows that the .com domain did not exist at 5 November 2021 (before the cancellation action was filed on 8 November 2021) and that the .co.uk domain was for sale. I am now shown Exhibit JH19, dated screenshots from 11 February 2022 and 22 June 2022 for www.borninscotland.com. I note that borninscotland.co.uk remains for sale and am now shown Exhibit JH20 in support of this. I note in this Exhibit that borninscotland.com is also listed as being for sale.”*

101. The relevant date for assessment of a claim of bad faith is the date of application of the contested trade mark. In this case, 14 September 2020.

102. In essence BIS claims KA registered the contested mark to prevent them from carrying on their business. KA claims to have devised the Born In Scotland brand in 2018 and to have legitimate interest in that brand.

103. The facts of this case show that in September 2019 BIS began a retail business under the sign Born In Scotland. That business grew rapidly and resulted in the opening of more stores. At the time of KA’s filing of the application BIS had two stores open and a lease agreed for a third in Glasgow. It is also clear, from KA’s exchange with the designer Gillian Kyle, that KA knew of BIS’s business in, at least, Waverley Market, by the time he filed his trade mark application. In my view, the exchange with the designer likely led KA to file a trade mark application later that same day, having realised that other designers may raise similar issues to those raised by Ms Kyle.

104. However, that is not the end of the matter. KA registered two domain names in September 2018, both for borninscotland URLs . This supports KA’s claim to have thought of the business in 2018 and to believe he had a legitimate interest in developing that business. The domain names were registered a year before the commencement of BIS’s business.

105. The point of my reference to the domain name registrations here is simply in supporting KA’s claim to have been considering a business under the name Born In



Scotland in the latter half of 2018 and not to indicate that any trade mark rights had actually been established by KA at that date.

106. I bear in mind that good faith is presumed unless the contrary is proven and rely on *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2009] RPC 9 (approved by the COA in [2010] RPC 16), in which Arnold J. (as he then was) stated that:

“189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

107. I find this to be the case here. The fact that KA applied for the ‘Born In Scotland’ trade mark a few hours after his email exchange with Gillian Kyle raises a question as to what KA’s motivation was at that point in time. It is not prima facie evidence of bad faith on its own. Having considered all of the evidence in this case I find that when applying to register the contested mark, KA thought that he was protecting his legitimate business interests in the ‘Born In Scotland’ name.

108. I must reiterate here that I think the view was an erroneous one, but I do find it was one legitimately held by KA and that, as a consequence, I do not find that KA was acting in bad faith at the relevant date.

**109. BIS's claim under sections 47 and 3(6) of the Act fail.**

## **CONCLUSION**

110. BIS has succeeded in invalidating KA's trade mark 'Born In Scotland' under sections 47 and 5(4)(a) of the Act. As a consequence, opposition 429367 (filed by KA against BIS's application for a series of four BORN IN SCOTLAND trade marks) falls away. This is because the invalidated trade mark 3533127 is the only right relied on in that opposition.

111. Turning to the matter of costs, I have borne in mind that whilst BIS was unsuccessful in its 3(6) claim, it was a ground reasonably relied on and it succeeded in invalidating the contested trade mark in its entirety. I award costs on the following basis:<sup>41</sup>

Official fees:	£200
Preparing the notices of cancellation and opposition considering the other sides statement of case and defence:	£600
Preparing evidence:	£700
Preparation for and attendance at a hearing:	£800
<b>TOTAL</b>	<b>£2300</b>

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<sup>41</sup> The scale of costs applicable to proceedings before the Comptroller can be found in Tribunal Practice Notice 2/2016.

112. I order Kaddeer Aslam to pay Born In Scotland Limited the sum of £2300. These 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 appellate tribunal).

**Dated this 3<sup>rd</sup> day of March 2023**

**Al Skilton**

**For the Registrar,**

**The Comptroller-General**