O/0703/26

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTERS OF

UK TRADE MARK REGISTRATION NOS. 3696151, 3808659 AND 2540925

IN THE NAME

OF

THE GLUGGLE JUG FACTORY LIMITED

AND

CANCELLATION NOS. 506321, 506322 AND 506391

BROUGHT BY

GLUGGLE LIMITED

Background and Pleadings

1. There are three sets of invalidation proceedings brought against the current Registered Proprietor of the marks at issue namely The Gluggle Jug Factory Limited ("GJF"). These marks were previously held in the name of Wade Ceramics Limited ("WCL"). I shall set out the circumstances leading to the change of ownership later in my decision. The invalidation actions against each mark (collectively the contested marks) are as follows:

Invalidation no. 506321

2. GJF is the current Registered Proprietor of UKTM no. 3696151 'Gluggle Jug' ("the 151 mark"). The 151 mark was filed in the UK on 16 September 2021 and achieved registration on 21 January 2022. This mark was filed pursuant to Article 59 of the Withdrawal Agreement between the UK and the EU, and therefore it retains its original EU filing date of 12 November 2020. The 151 mark stands registered for goods in class 21 namely:

> Class 21: Jugs, pitchers, vases, jars, decanters; ceramic, porcelain, earthenware, plastic or glass containers for household or kitchen use; drinks containers; beverageware.

3. On 19 July 2023, Gluggle Limited ("GL") applied to invalidate the trade mark registration based on sections 5(4)(a), 3(6) and 5(6) of the Trade Marks Act 1994 ("the Act").

4. Under section 5(4)(a), GL relies on its unregistered sign 'Gluggle' which it says it has used throughout the UK since 2009 for *Jugs, pitchers and vases*. GL claims that as a result of the use it has made of its sign it has generated a protectable goodwill and that the use of the 151 mark, which is similar and is registered for identical/similar goods, would be contrary to the law of passing off, misleading the public into believing that the parties are connected, causing damage to GL's goodwill.

5. In particular GL claims that it has:

> "established a significant trading reputation under the name Gluggle and has used the name since 2009. [GL] offers a range of jugs, pitchers and vases under the name Gluggle and had the jugs manufactured by [WCL], the original

applicant for the Registration. These jugs are generically known as glug jugs, there being a number of manufacturers of such products. Unfortunately, [WCL] had registered the name without the consent of [GL] and when [WCL] entered into administration the registered rights were sold by the administrator. Given the level of recognition that [GL] had built up in jugs, pitchers and vases using the Gluggle name, it is considered that a third party selling such goods, in particular glug jugs, under the name Gluggle, would be wrongly associated with [GL]."

6. GL further claims that the application to register the 151 mark was filed in bad faith contrary to section 3(6) of the Act. Its pleaded claim to bad faith is as follows:

> "The application was filed by [WCL] in 2010[1] [sic] ("Original Proprietor"). In 2009 GL registered the company Gluggle Limited and the domain name glugglejugs.co.uk and entered into an agreement with [WCL] to sell and market glug jugs in the UK, under their brand Gluggle. In December 2022, GL understood [WCL] to be in difficulty and wrote to ask for transfer of [the 151 mark] and two other registrations (numbers UK00002540925 and UK00003808659). However, [WCL] went into administration. [GL] alerted the Administrator to their claim to ownership, but as this did not include an assignment the Administrator instead sold the registrations to [GJF]. Communications with [GJF] have so far failed to find a resolution. [GL] considers that the Registration was applied for in bad faith by [WCL]."[2]

7. GL also claims that the application for the 151 mark was contrary to section 5(6) of the Act, by virtue of the original relationship that existed between WCL and GL. GL claims that:

> "The application was filed by [WCL] in 2010 [sic] ("Original Proprietor"). In 2009 [GL] registered the company Gluggle Limited and the domain name glugglejugs.co.uk and entered into an agreement with [WCL] to sell and market glug jugs in the UK, under their brand Gluggle Jug. In December 2022 [GL] understood the [WCL] to be in difficulty and wrote to ask for transfer of [the 151

[1] The 151 mark's filing date was in fact 12 November 2020.
[2] The statement of case was replicated across all three sets of proceedings and completed generically, with the result that the incorrect filing date was recorded here and in subsequent pleadings.

mark] and two other registrations (numbers UK00002540925 and UK00003808659). However, [WCL] went into administration. [GL] alerted the Administrator to their claim to ownership, but as this did not include an assignment the Administrator instead sold the registrations to [GJF]. Communications with [GJF] have so far failed to find a resolution. It is considered that in this regard, due to the agreement with [WCL], the application was filed, without the authorisation of the brand owner, [GL], by their manufacturer, and was therefore applied for contrary to Section 5(6) of the Act."

<u>Invalidation No. 506322</u>

8. GJF is the current Registered Proprietor of the UKTM no. 3808659 for 'The Original Gluggle Jug' ("the 659 mark"). It was filed on 12 July 2022 and registered on 14 October 2022 for the following goods in class 21 namely:

> Class 21: Jugs, pitchers, vases, decanters; jars for beverages; ceramic, porcelain, earthenware, plastic or glass containers for household or kitchen use; ceramic, porcelain, earthenware, plastic or glass containers for household or kitchen use for beverages; drinks containers; beverageware.

9. On 19 July 2023, GL filed an invalidation action against this mark, under sections 5(4)(a), 3(6) and 5(6) of the Act on the same basis and for the same reasons as it applies to invalidate the 151 mark.

<u>Invalidation No. 506391</u>

10. GJF is the current Registered Proprietor of UKTM no. 2540925 'Gluggle Jug' ("the 925 mark") filed on 4 March 2010 and registered on 16 July 2010 for goods in class 21 namely *Jugs, Pitchers and Vases*.

11. On 19 July 2023, GL issued invalidation proceedings against the 925 mark relying on sections 3(6) and 5(6) of the Act, on the same basis and for the same reasons as aforesaid. For clarity, in relation to this mark GL does not pursue a claim under section 5(4)(a).

Defence and counterstatement

12. GJF filed a defence and counterstatement to each action, denying GL's claims and putting it to strict proof of the same.

Representation

13. GJF is represented by Swindell & Pearson Limited and GL is represented by Indelible IP Limited. Both parties filed evidence and submissions during the evidence rounds. A hearing was requested which was held before me via video conference on 13 February 2025. At the hearing Mr Kieron Taylor and Tom Claydon of Swindell & Pearson Limited appeared for GJF, whereas Ms Michelle Ward of Indelible IP Limited appeared for GL. Both parties filed skeleton arguments and authorities prior to the hearing, which I have considered fully in reaching my decision.

Consolidation

14. The proceedings were consolidated on 23 October 2023, and the parties were notified shortly thereafter.

Circumstances leading to the change in Proprietorship

15. WCL was the original proprietor of the contested marks at issue. In November/December 2022, it entered into administration and administrators were appointed. The administrators subsequently sold WCL's business and assets to GJF, including the goodwill of the business and its intellectual property rights. Following that sale, ownership of the relevant trade mark registrations was assigned to GJF on 20 December 2022.

16. Prior to the sale to GJF, GL sought to assert its claimed entitlement to the marks with the administrators. However, as no assignment of the registrations into GL's name had taken place before WCL entered into administration, the administrators did not recognise GL as having any proprietary interest in the marks and proceeded with the sale to GJF. Any question concerning the validity of the administrators' actions falls outside the scope of these proceedings, which are limited to the question of whether the marks at issue were validly registered under trade mark law, and I shall say no more about it.

17. I note that the claims being pursued by GL arose during the period in which WCL was the registered proprietor of the contested marks. GJF's title derives from WCL as its successor in title. Consequently, any findings made in relation to WCL's right to register these marks, as well as to its conduct are equally applicable to GJF.

Evidence

18. GL's evidence in chief consists of:

i. The first witness statement of Rosie Granger dated 20 December 2023 accompanied by forty exhibits marked RG1-RG40;
ii. The first witness statement of Jane Joyce dated 20 December 2023 accompanied by one exhibit marked JJ1.[3]

19. GJF's evidence in chief consists of the following witness statements:

i. Paul William Farmer dated 25 March 2024 accompanied by three exhibits marked PWF01-PWF03:
ii. Sophie Mahlo dated 27 March 2024 accompanied by thirteen exhibits marked SM1-SM13;
iii. Ruediger Mahlo dated 27 March 2024;
iv. James Morgan dated 27 March 2024;
v. Kim Rowley dated 27 March 2024 accompanied by one exhibit marked KR1;
vi. Craig Wasley dated 28 March 2024 accompanied by one exhibit marked CW01.

20. GL's evidence in reply consists of the following:

i. The witness statement of Katie Maitland dated 16 May 2024;
ii. The witness statement of Michael Granger dated 21 May 2024;
iii. The witness statement of Matt White dated 22 May 2024 together with one exhibit marked MW1;
iv. The second witness statement of Rosie Granger dated 30 May 2024, together with exhibits marked RG41a- RG64;
v. The second witness statement of Jane Joyce dated 30 May 2024.

21. I have considered all the evidence and submissions in full in reaching my decision and shall summarise them to the extent that I consider necessary later in my decision.

Relevance of EU Law

22. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the

[3] The exhibit consists of an MP4 video file.

European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

My Approach

23. Given the overlap in issues, I shall consider the evidence in its totality and make findings of fact which will then form the basis of my assessment in relation to each of the grounds relied upon. Also, in order to be clear, the products at issue which are the subject of this dispute, are a fish shaped jug which I shall refer to as 'glug jugs/Gluggle Jugs' as this is how the products are referred to by the parties.

Evidence and findings of fact

<u>First Witness statement of Rosie Granger dated 20 December 2023</u>

24. Ms Granger states that together with Ms Joyce she is a founder and director of GL.

25. Ms Granger states that she has a background in sales and marketing, including roles as a Marketing Manager and Marketing Director for a clothing supplier to Marks and Spencer, and as a brand manager at Tesco Clothing.

26. Ms Granger states that her interest in 'glug jugs' arose after her husband received one produced by Shreve Crump & Low ("Shreve Crump"). This raised her interest in seeing whether she could source these jugs in order to sell them in the UK. She states that the style of the jug dates back to the 1870's having first been produced by Thomas Forester & Sons. She produces an undated photograph said to be of a Shreve Crump designed jug[4] and states that this style of jug had been produced by various manufacturers over the years, all with slightly different designs. She explains that the name 'glug jug' is derived from the 'glug glug' sound that they produce when liquid is poured from them. Two undated extracts taken from www.amazon.co.uk are produced said to be examples of this type of jug currently on the UK market.[5]

[4] Exhibit RG1
[5] Exhibit RG2

27. Ms Granger states that GL was incorporated on 2 March 2009. Company House records are produced in support.[6]

28. Following setting up the business, both herself and Ms Joyce set out to approach current and past manufacturers of ‘glug jugs’ in the UK to see if they[7] could source a suitable product for their new venture. It is said they approached multiple UK manufacturers, including Fosters Pottery Ltd, Persebus Pottery and WCL.

29. Ms Granger states that initial discussions with WCL took place in “March/April 2009” which led to an agreement to purchase glug jugs from them, which they would sell under the name “Gluggle Jug”.[8] This initial meeting was with Kim Rowley and included discussions around GL becoming WCL’s UK distributor. A further meeting was arranged on 6 May 2009 with Paul Farmer, the managing director of WCL.

30. In preparation for this further meeting Ms Granger states that they prepared a marketing and brand strategy document setting out their goal to develop and establish Gluggle Jugs as a high volume and ‘must have’ product in the UK. A copy of the presentation is produced.[9] Ms Granger states that at this time WCL were not producing Gluggle Jugs in the UK, that they had little or no market presence in the UK and that the jugs did not have any association with WCL. Further she states that they were only available in 3 colours. It is said that GL proposed to become an “Exclusive Agent rather than Distributor, by adding 10% to the prices to cover [their] commission”.[10] This it is said was agreed.

31. Ms Granger states that an agreement with WCL was signed on 1 August 2009, a copy of which is produced.[11] The Agreement is titled Commercial Agency Agreement (“the Agreement”) and includes a clause concerning the name “Gluggle” which Ms Granger states shows that the name is recognised as being GL’s brand and not WCL’s.[12] The applicable clause reads as follows:

> “18.12 The Principal acknowledges that the Agent holds all rights and interest in respect of the name “Gluggle” and the Principal acquires no rights hereunder

[6] Exhibit RG3
[7] Where Ms Granger refers to ‘they’ I take this to mean her and Ms Joyce.
[8] Paragraph 6
[9] Exhibit RG5
[10] Paragraph 7
[11] Exhibit RG6
[12] See clause 18.12 of the Agreement

save as expressly agreed in witing with the Agent. Upon termination of this agreement the Principal shall cease all use and association with such name except as otherwise agreed in writing with the Agent.”

32. Ms Granger states that in 2010, WCL informed them of a legal issue with Shreve Crump in the United States. WCL were suppling Shreve Crump with products marketed under the name Gurgling Cod but wanted to launch their own product. In a meeting held on 3 February 2010, it is said that, in order to “counter this action…[WCL] asked if they could use our name in the US to market the jugs”. After this meeting WCL applied to register the trade mark Gluggle and it is said that they were informed of this at a subsequent meeting in May 2010, after the application had been filed. Ms Granger states that WCL stressed to them that this was done in the spirit of collaboration, that it was always GL’s name and the terms of the Agreement protected that. Ms Granger states that over the following 10 years, no challenge was made to that registration during the subsistence of the commercial relationship, but that it had always been her understanding because of the terms of clause 18.12 of the Agreement that the name would revert to GL if the contract with WCL ended.[13]

33. In March and June 2011 enquiries were received from Sophie Mahlo (the current co owner of GJF) about the possibility of selling Gluggle Jugs in Germany. Ms Granger states that she introduced Ms Mahlo to WCL and she became WCL’s European Distributor, marketing and selling the products under the name Gluckigluck or Glucki. Ms Granger produces an extract taken from the FAQ section of GJF’s website www.theglugglejugfactory.co.uk in support of this. I note that the extract has a print date of 3 August 2023.[14]

34. Ms Granger states that in 2013, WCL appointed Mr Craig Wasley as its sales manager whose role was to target major retailers to sell Gluggle Jugs and other products produced from the factory. Subsequent to this, Ms Granger states that WCL terminated the exclusivity element of the Agreement, but it was her understanding that the remainder of the Agreement continued, as did the working relationship. Ms

[13] Paragraph 9
[14] See Exhibit RG9 and RG10.

Granger produces a letter dated 13 May 2013 received from Mr Paul Farmer (the managing director of WCL at that time) in this regard, which states:[15]

> "Dear Jane and Rosie
>
> As discussed and agreed at our recent meeting, the exclusivity agreement with Gluggle Limited will terminate three months from todays' date.
>
> It should be noted that this amendment will not affect the relationship in terms of sales and acquisition of new business etcetc."

35. Ms Granger states that GL has built up significant reputation and goodwill in the trade as the source of Gluggle jugs. She estimates that approx. 95% of their sales were self generated and only approx. 5% of interested parties would contact WCL direct. She states that even if consumers contacted WCL those enquiries were directed to GL. It is said that it was GL who from the outset generated sales, undertook marketing activities including press coverage, fairs, retail sales, website operation, and social media activity.

36. Ms Granger states that the business maintained records of sales, commissions, marketing expenditure, and participation in fairs. Ms Granger produces a table of the schedule of the fairs that GL has attended from 2009 onwards along with the marketing initiatives undertaken by GL.[16] Ms Granger produces copies of screenshots taken from their website using the Wayback Archive tool showing that they sold goods directly to consumers.[17]

37. Ms Granger states that over the years the name 'Gluggle' has become synonymous with GL. It is said that between 2009 and 2022 a customer list of over 240 UK retailers had been built up, with the majority of customer enquiries being primarily directed to GL via its website www.glugglejugs.co.uk. The domain name was registered on 6 August 2009.[18] Gluggle jugs are said to have appeared in high-circulation mail order catalogues i.e. 'The Present Finder', 'Fur, Feather and Fin' and 'The House of Bruar' as well as referred to in articles of well-known and high-profile magazines such as the Saturday Telegraph Magazine, You Magazine and Country Life

[15] See Exhibit RG11.
[16] Exhibit RG31
[17] Exhibit RG29 to RG32
[18] Exhibit RG38

Christmas special. GL also received enquiries from the Royal Household regarding the purchase of Gluggle Jugs.[19]

38. Ms Granger states that from November 2020 onwards, WCL made various changes to the marketing arrangements, including appointing a marketing company. She states that they were left astonished and disappointed by WCL's actions given that they had been responsible for the marketing and promotion of the jugs since 2009 as well as initiating the development of a range of new colours. Further in order to promote and market the jugs they had attended 72 fairs over a 9 year period and had direct contact with 1000's of customers. Examples of images indicative of their stand at these fairs are produced.[20] It is said that due to their marketing efforts, they created a demand for the product and became the public face of Gluggle Jugs with consumers making it a household name and "so successful, it has become a generic name for this type of jug".[21]

39. Ms Granger states that in February 2021[22] an interview opportunity arose with BBC Radio 4 and after asking WCL if they wanted to conduct the interview (which they declined) it was agreed that it could be undertaken by Ms Joyce.

40. Ms Granger states that in May 2021 a copy of the Agency Agreement was requested by WCL and subsequent to this following a meeting between the parties, a revised Agency Agreement was proposed which among other amendments omitted clause 18.12 relating to the name "Gluggle". This revised agreement was never signed. A copy of the revised Agreement and email correspondence are produced in this regard.[23]

41. Ms Granger states that relations with WCL started to deteriorate throughout 2020 and 2022. During this time there were production and supply issues, including delays and quality concerns, all of which are said to have been raised with WCL. She states that they were aware that WCL was in a precarious financial position and were concerned as to how this would impact their business. It is said that at various meetings during 2021 and 2022 GL reaffirmed their position regarding the name

[19] Exhibit RG38-RG39
[20] Exhibit RG12
[21] Paragraph 14
[22] The date in fact should be 2022.
[23] Exhibit RG 13

Gluggle Jug and that they had never given written permission to WCL to keep the name which they believed was theirs.

42. On 7 October 2021 WCL informed them that they intended to launch a competing e-commerce website under the address www.glugglejug.co.uk (which was only one letter difference from GL's) together with a direct order trade page which GL had no access to. Previously in August 2021 GL had launched a stand alone trade website in their name for their retail customers. WCL were also looking to reduce the commission rate that they paid to GL at this time. Consequently, these actions precipitated GL to challenge the validity of WCL's ownership of the trade marks as evidenced by an email dated 18 October 2021.[24] It is said that at a follow up meeting on 30 November 2021, GL requested that the trade mark be transferred in their name. Ms Granger attaches a copy of her notes from the meeting.[25]

43. Ms Granger states that in November 2022, WCL entered into administration and that commission payments for sales from July to September 2022 remained outstanding. Details regarding the administration, taken from Company House records are produced.[26]

44. Ms Granger states that in or about December 2022 they contacted the appointed administrator in order to transfer the Gluggle Jug trade mark into their name relying on the terms of the Agency Agreement. Given that there was no signed assignment of the trade marks from WCL to GL before the company entered into administration, the administrator did not acknowledge their claim. Further Ms Granger was told that as a result of the administration process, the Agreement was deemed terminated. Ms Granger produces copies of the email exchanges between herself and the administrator.[27] Ms Granger contends that GL should have been afforded the opportunity to apply to purchase all of the UK trade marks in relation to Gluggle Jug when WCL went into administration.

45. Ms Granger states that on 15 December 2022, the trade marks and the manufacturing factory were sold to GJF, the directors of which were Sophie and Rudiger Mahlo. The trade marks were assigned to GJF on 20 December 2022. Despite

[24] Exhibit RG7
[25] Exhibit RG8
[26] Exhibit RG16
[27] Exhibits RG17 and RG18.

negotiations regarding continuing the agency arrangement, on 11 January 2023 GJF notified GL that their agency services were no longer required.

The first Witness statement of Jane Joyce dated 20 December 2023

46. Ms Joyce (together with her business partner Rosie Granger) is the founder and director of GL.

47. Ms Joyce states that she has a background in the retail sector and has worked in sales merchandising, and as a brand manager and retail buyer for major UK retail businesses since 1980.

48. Ms Joyce confirms that in February 2022 she was contacted by the producer of the Radio 4 programme 'You and Yours' who wanted to conduct an interview and obtain information regarding 'Gluggle Jugs'. She states that 'they' contacted Mr Farmer of WCL regarding the interview, but he was not interested in taking part. Consequently, Ms Joyce agreed to a live interview which took place on 25 February 2022. The purpose of the interview was to discuss the popularity of the jugs and the possible inclusion of a commemorative edition for the Queens Jubilee in June 2022. The interview included a variety of participants to include Gluggle Jug fans, collectors, and an art historian. Following the programme there was a spike in sales. A recording of the interview is exhibited at JJ1.

49. Ms Joyce confirms that "just before Christmas 2022" she received a phone call from Mr Farmer (who she describes as the former Managing Director of WCL) in which he is said to have urged 'them' to work with Sophie Mahlo. It is said that the parties had a discussion regarding the money owed to GL but she was told to "forget about it as his hands were tied".

GJF's evidence

Witness statement of Paul William Farmer

50. Mr Farmer states that he is the former Managing Director of WCL a position he held from 4 March 1996 to 2 December 2022 when the company went into administration. He states that WCL was the original owner of the relevant "Gluggle Jug" trade marks, which were subsequently assigned to GJF in December 2022. Given that Mr Farmer is not employed by either party he believes that he is neutral in the

dispute between them. His evidence serves to respond to various statements made by Ms Joyce and Ms Granger and to outline the chronology of events from his perspective.

51. Mr Farmer confirms that GL and WCL had a commercial relationship but maintains that any proprietary rights to the Gluggle Jug trade marks were held by his company and that GL was only an agent and reseller of the products sold.

52. Mr Farmer's states that WCL acquired the rights to the original fish shaped pottery moulds from Dartmouth Pottery in 2003 who had been retailing the product since the 1950s. WCL manufactured, marketed and sold the products in the UK and internationally until 2022. He is not aware of any other company selling these products in the UK as outlined by Ms Granger and WCL was the only company manufacturing these jugs in the UK in 2009. He states that the products were predominantly manufactured in Stoke on Trent, with only limited and temporary outsourcing.

53. He states that the use of "Gluggle Jugs" on products manufactured by WCL pre dated any involvement with GL. Jugs sold by Dartmouth Pottery were branded Gluggle jugs using the slogan "a jug that gurgles". Screenshots taken from various websites are produced showing such use.[28] Mr Farmer disputes that GL invented the name or brand as suggested. He states that the marketing presentation document produced by Ms Granger merely affirms that WCL was already using the term Gluggle. He confirms that whilst the name Gurgling Cod was a brand name previously used in conjunction with Shreve Crump, they then decided to adopt the standard name Gluggle Jug. He maintains that the name Gluggle was already being used by WCL prior to its relationship with GL.

54. In so far as the interview with the BBC Radio 4 programme is concerned, Mr Farmer states that Ms Joyce's reference to having worked with WCL for 13 years clearly demonstrates that WCL was responsible for the manufacturing and production of the products. Mr Farmer states that GL's website clearly referred trade enquiries to "glugglebywade@hotmail.com" again reinforcing that it was WCL that was responsible for the products. Screenshots taken from a YouTube video dated in 2012 is produced which shows a stamp on the underside of the product as "GLUGGLE JUG BY WADE"

[28] Exhibit PWH01.

which he states shows the product being sold under the brand name Gluggle Jug and that it was associated with WCL. Mr Farmer states that the backstamp varied over time due to modernisation but would have always been branded Gluggle Jug or The Original Gluggle Jug and would have included ‘by Wade Ceramics Limited’ (being WCL) or similar wording.

55. Mr Farmer asserts that WCL was the manufacturer of the products at all material times and that GL acted solely as an agent and reseller. Mr Farmer accepts that GL approached WCL but only in order to become an agent of the company. He confirms that an Agency Agreement was entered into in 2009, and within this document the products were referred to as ‘Gluggle Jugs’ demonstrating that the term was already standard language used by WCL to refer to their products at that time. He disputes that GL created the brand name. In so far as clause 18.12 is concerned, Mr Farmer does not recall a discussion agreeing the terms of the clause and can only recount that the clause works for both companies in that WCL was the manufacturer and GL was the agent.

56. In terms of the commercial relationship Mr Farmer recounts that GL either forwarded customer orders to WCL or sold a limited quantity of stock via e-commerce, but that the vast majority of sales were undertaken by WCL.

57. He further states that WCL retained control over all aspects of the products, including the manufacture, development of new designs and colours, pricing, quality control, fulfilment of orders, invoicing, customer interactions and handling of returns. He maintains that the products consistently bore WCL’s name and the “Gluggle Jug” branding, including on backstamps, packaging, and documentation.

58. In so far as the purchasing process is concerned, Mr Farmer explains that consumers (who were traders rather than individuals) contacted GL who then forwarded the order to WCL. The products were then produced, packaged and delivered directly to the consumer and it was WCL who received payment directly from the customer; no money was paid to GL. Once payment was received WCL paid a commission to GL (at a rate of 10%) being a standard rate of commission in the ceramics industry. Mr Farmer states that WCL was responsible for any quality issues and for returns or replacements in relation to any faulty or damaged products. Only a small proportion of products (approximately a pallet and a half per year) were sold by

GL directly. WCL sold products directly to retailers including through Amazon from 2013. Further for the vast majority of sales all email correspondence, invoices, delivery notes and flyers within the packaging would have Wade Ceramics Ltd on them. Mr Farmer states that he was unaware whether GL repackaged the goods in their own packaging when selling directly but even if they did the products were still stamped with WCL's stamp underneath. Any products sold by GL were directly to individuals as opposed to retail outlets. Mr Farmer provides copies of GL's accounts from 2010 to 2014 which show that GL's profits were small demonstrating the size of their operation, and in keeping with them being an agent.[29]

59. Mr Farmer's evidence is that WCL generated and owned the goodwill in the "Gluggle Jug" mark, and that it undertook enforcement action to protect the brand, whereas GL did not.

60. He states that GL's role was limited to that of an intermediary, receiving commission for forwarding orders, and that GL bore no manufacturing risk or liability. He emphasises that GL did not manufacture the products, did not commission their manufacture, and had no proprietary interest in them. In so far as the 72 trade fairs to which GL refers, the vast majority attended by GL were modest 'charity type' events in which GL would take a small number of products to sell to individuals. The second type would be trade fairs held in large exhibition halls such as the NEC Birmingham. The larger fairs were organised, funded and supplied by WCL (fully initially and partially thereafter) and GL did nothing more than man the stand. At the larger trade fairs, Mr Farmer states that no products were sold directly to retailers but rather orders were placed which were subsequently passed onto WCL to fulfil. In return GL continued to receive commission.

61. In 2013 Mr Farmer confirms that the Agreement with GL was terminated as it was WCL's intention to use GL as a generic agent because they had been approached by a number of large customers to sell the products. These customers later became house accounts and accounted for roughly 15% of total sales. Following the termination of the Agreement in 2013, GL and WCL continued to work together via a

[29] Exhibit PWF03

‘handshake agreement’ with GL receiving orders from customers and forwarding them to WCL and sold WCL’s products as a reseller via e commerce.

62. Mr Farmer maintains that at no point during their commercial relationship did GL dispute ownership or validity of the trade mark rights in question or challenge WCL’s use of them. GL has never requested that WCL stop using the trade marks or requested that they transfer the rights to them or that they were entitled to the rights if the company was ever sold.

63. Mr Farmer denies that he or WCL have acted in bad faith, and states that the company consistently acted transparently and invested in protecting the trade marks, and that he believes the rights in the “Gluggle Jug” marks properly belonged to WCL.

Witness statement of Sophie Mahlo dated 27 March 2024

64. Ms Mahlo is the co-founder and co-owner of GJF and was the director of the same between 15 December 2022 and 1 January 2024. GJF is not only the owner of the trade marks in the UK but is also the owner of other registrations in other jurisdictions outside the UK.

65. Ms Mahlo provides background information as to how she became the European distributor for WCL. She states that in 2011 she contacted GL about distributing Gluggle jugs in Germany and was informed that WCL owned the rights and that as GL were only acting as a UK agent, she would need to contact WCL. Subsequently after contacting WCL, she became WCL’s distributor for Europe (but which excluded the UK). Email correspondence between GL and Ms Mahlo is produced to support the same. I have reproduced the relevant emails below.[30]

[30] Exhibit SM01.

Email 9 September 2011

From: heresthethingwelike@googlemail.com
To: gluggle@hotmail.co.uk
Subject: Selling Jugs from Germany
Date: Fri, 9 Sep 2011 16:50:23 +0200

Dear Rosie,

Thank you very much for taking the time to write down all this information!

In the meantime, I have been in contact with Kim, order 10 Jugs and looking forward to receiving them in approximately two weeks. :) My friends and I are big fans of your jugs, which some of us have already bought in England a while ago :)

I thought about something and wanted to share that with you: As people are requesting to order Jugs from you and as it is so difficult to buy one from abroad, I wanted to offer you that I could to sell them from here, Berlin. I could open a website in German, order a German courier from here and sell them within Germany, Switzerland and Austria. What do you think about that?

Also, I could find other shop owners, who might be happy to sell them in their shops.

However, building up that side on my cost and approaching other shop owners would make only sense for me, if you could grant me the exclusive right to sell them here. We could agree on a time period and on a number of jugs I should try to sell within the specific time period. If I achieve to reach that number of sellings, you promise me to extend the exclusive term of another period and so on.

How does that sound to you? In my ears, you would be able to reach out to a broader group of people and we both would profit from the sale financially.

I am looking forward to your reaction and wish you a great weekend!

Kind regards from Berlin
Sophie

Email response 10 September 2011

From: Gluggle Limited <gluggle@hotmail.co.uk>
Subject: RE: Selling Jugs from Germany
Date: 10 September 2011 at 12:09:37 BST
To: <heresthethingwelike@googlemail.com>

Dear Sophie,

Jane and I only have the exclusive rights to sell the jugs within the UK, so you would need to contact Kim Rowley at Wade direct as they own the rights to the jug. You would need to have a contract with them to sell the jugs in Europe.

Good Luck!!

Kind regards,

Rosie and Jane,
Gluggle Ltd

66. Ms Mahlo states that WCL owned and operated three websites through which products were promoted and sold under the name Gluggle Jug namely www.Wade.co.uk, www.Giftwarebywade.com and www.Glugglejugs.co.uk. Any reference to GL on these websites clearly indicated that they were acting as agents.

67. Ms Mahlo states that throughout her dealings with WCL she was never asked to use any name other than "Gluggle Jug", and that the name was consistently used in email communications, marketing materials, the website, on invoices and on the products themselves. She states that between 2011 and 2022 she (through her company) distributed large volumes of products under that name.

68. Ms Mahlo states that WCL's branding appeared on purchase orders (used since 2011), style guide brochures (used since 2021) and flyers (used since 2017) and on the products themselves and product tags. Extract copies are produced.[31] Ms Mahlo confirms that the sample purchase order produced is indicative of the ones used throughout her relationship with WCL and show that WCL was responsible for the products with no mention of GL.

69. Ms Mahlo states that she promoted and sold products through her company across Europe under the names Gluckigluck and Gluggle Jug and the products carried the Gluggle Jug name on packaging, stickers and the advertising/marketing material accompanying the product. Photographs of the packaging and the underside of the product is produced.[32]

70. Ms Mahlo states that GL was aware of her use of the name Gluggle Jug across Europe, referred customers to her, and did not object to her use of the name or ask her to change it at any time.

71. Ms Mahlo states that following WCL entering into administration in December 2022 she co-founded GJF and bought the assets and intellectual property connected with the Gluggle Jug business from the administrator. The figure she paid was not insubstantial despite the consideration paid for the trade marks showing as only £1. The company also rehired WCL's former employees to ensure the business continued.

[31] Exhibit SM02
[32] Exhibits SM03 and SM04

72. Ms Mahlo states that she offered GL the opportunity to continue working with the company as an agent, however, no agreement was reached and she later became aware that GL had sourced similar products from another manufacturer in direct competition with GJF.

73. Ms Mahlo produces a list of sales figures prepared by WCL's account manager showing generic Gluggle Jug sales by all parties involved in 2021 was over £1.3m, with 53% of this turnover being generated by sales without an agent, 3% from direct sales to GL and 44% was to customers through GL acting as an agent. I note that not all the figures appear to be directed at the UK.[33]

74. Even after GJF acquired WCL's business Ms Mahlo states that GL continued to purchase products from them and made no attempt to request that they cease using the trade mark Gluggle Jug. Email correspondence is produced in support of this contention.[34]

<u>Witness statement of Ruediger Mahlo dated 27 March 2024</u>

75. Mr Mahlo is the co-founder and co-owner of GJF and previously held the position of Director.

76. The purpose of Mr Mahlo's evidence is purely to confirm his relationship to GJF and to confirm the contents Ms Mahlo and Mr Farmer's witness statements.

<u>Witness statement of James Morgan dated 27 March 2024</u>

77. Mr Morgan states that he is the current Director of GJF, a position he has held since June 2023. Previously he worked as the Factory Manager for WCL from approximately June 2021 until it entered into administration. A good proportion of Mr Morgan's evidence is of limited value given the date he joined the company. I shall therefore only summarise the salient points.

78. Mr Morgan states that in his capacity as Factory Manager he was responsible for overseeing production, producing and fulfilling orders based on internal order sheets

[33] Exhibit SM12
[34] Exhibit at SM13.

and automated invoicing systems, meeting orders, achieving targets and dispatching goods.

79. Mr Morgan confirms that WCL's 'second factory' was used to manufacture the products in question from 2018 until administration.

80. Mr Morgan states that the products always bore an embossed backstamp on the base, including wording such as "Gluggle Jug by Wade" or "The Original Gluggle Jug by Wade", and that he observed this wording on both current and older stock.

81. Mr Morgan states that from reviewing factory records GL purchased products in quantities of approximately 500 jugs per month, compared with significantly larger quantities being supplied to other customers.

82. It was Mr Morgan's understanding that GL was a sales agent of WCL, but that WCL produced, branded and dispatched the products. He states that all customer-facing materials bore WCL's name, indicating that the products were manufactured and sold by WCL.

<u>Witness statement of Kim Rowley 27 March 2024</u>

83. Ms Rowley states that she is the Sales Manager of GJF having been employed by them since January 2023. She had previously worked for WCL since 1990 until it went into administration.

84. Ms Rowley states that she remembers the start of the relationship with GL. Ms Joyce and Ms Granger first approached WCL to purchase and resell the products, following which GL became WCL's agent for selling the goods.

85. Ms Rowley states that the products were previously known as "Gurgling Cods" however due to a "legal complication" with WCL's US customer Shreve Crump the product was later renamed "Gluggle Jug" following Wade staff being asked to suggest brand names. Ms Rowley's recollection is that this took place prior to WCL's relationship with GL.

86. Ms Rowley states that the exclusive Agency Agreement with GL was terminated in 2013, after which the relationship continued on an informal basis via a handshake agreement.

87. Ms Rowley states that sales of the products occurred via three avenues: (1) orders passed by GL to WCL, (2) sales via GL's e-commerce, and (3) sales via WCL's own e-commerce and house accounts. Ms Rowley places these avenues in order in terms of volume sold with the highest being via WCL selling directly to their house accounts and through e commerce platforms, then by orders through GL passed onto WCL and lastly a small proportion directly from GL. Ms Rowley provides an outline of how orders were processed. She states that after customers approached GL, GL took the orders which they would then forward to WCL, she would then process and confirm the order. Customers would pay WCL directly and upon receipt of payment WCL would dispatch the goods to the customers and GL would invoice WCL for payment of their commission. It was her understanding that GL did not actively go out and recruit new accounts but rather they would rely on mail shots to existing accounts for orders and new accounts were gained from enquiries through WCL and GL's websites.

88. Ms Rowley confirms that it was WCL who set product pricing, handled complaints and returns and not GL and that all documentation, packaging and product markings bore WCL's name. If any complaints were sent to GL, they merely forwarded the complaint to WCL to handle which was part and parcel of Ms Rowley's role. Ms Rowley produces copy emails which contain confirmation of price increases said to demonstrate that it was WCL who was responsible for product pricing.[35] The letters also show the use of the trade mark Gluggle Jug in combination with WCL's logo. I note that these documents are dated April 2022.

89. Ms Rowley states that WCL was responsible for registering, protecting and enforcing the trade marks rights against third parties and paid for all actions taken.

<u>Witness statement of Craig Wasley dated 28 March 2024</u>

90. Mr Wasley states that he previously worked at WCL between 2014 and 2022 as its Business Development Manager and board member. Mr Wasley's primary role for WCL was to oversee WCL's existing business and find new avenues of business particularly in relation to the Gluggle Jug products.

91. Mr Wasley states that products made using the moulds purchased from Dartmouth pottery which were considered as "original" Gluggle Jug products. He states that

[35] Exhibit KR01

throughout his time with the company he recalls that GL were not exclusive agents. Mr Wasley states that his responsibilities entailed picking up large accounts for the company, including securing a key account with Paul Smith, which resulted in increased interest and sales of the product.

92. Mr Wasley states that it was WCL who funded the stands held at various trade shows, for example the Top Drawer shows, at which Ms Granger and Ms Joyce were present to assist with sales. Mr Wasley produces images of their stand at the 2018 and 2020 Top Drawer trade shows.[36]

93. Mr Wasley states that it was WCL that led advertising and brand development activities, invested in promoting the products, and took legal action against third parties to protect the brand. He recalls one particular dispute with Homebase. He states that GL often complained that WCL were not being more proactive in enforcing their rights against copy products. Further WCL at all times was responsible for all aspects of the business, including the manufacture and branding of the goods under the Gluggle Jug name, sales, advertising, and trade mark protection, and that all products and marketing material bore WCL's branding.

94. Mr Wasley states that GL only acted as WCL's UK agent, facilitating some sales but that it was WCL who would be understood by customers as responsible for the products.

<u>GL's evidence in reply</u>

<u>Michael Granger dated 21 May 2024</u>

95. Mr Granger is the husband of Rosie Granger. He provides a statement in support of GL's claims. He recounts the time when he and his wife were brainstorming a brand name for the 'glug glug' jugs for her planned new business. He states that he remembers "Rosie suggesting Gluggle". Mr Granger states that he came up with the strapline "Gluggle, the jug that likes to glug". Mr Granger provides no timeline as to when these discussions took place.

[36] Exhibit CW01

Matt White dated 22 May 2024

96. Mr White is a journalist and author of Dartmouth and the South Devon Potteries (a book detailing the history of the gurgling jugs). He confirms that he wrote the book whilst Dartmouth Pottery was still a going concern around 2000-2001. For the purposes of research for the book he confirms that he interviewed the pottery manager as well as other staff members.

97. Mr White produces a selection of extracts from his book in which he refers to the jugs as ‘Gurgling jugs’ and provides a history of the production and early manufacturers of the jug.[37] He states that the jugs were historically referred to as ‘Gurgling Jugs’, Gurgling fish jugs or ‘glug jugs’ but as far as he was aware this latter name was never used as the proper title for the jugs. These jugs remained in production up until 2002 when the pottery closed.

Katie Maitland dated 16 May 2024

98. Ms Maitland is the designer responsible for GL’s website. It is said that she had various conversations with Jane Joyce during 2008 as to whether they were able to sell what “she referred to initially as Glug and then Gluggle jugs”. She is aware that Ms Joyce had approached various potteries about making these jugs in the UK. She states that she remembers a lot of discussions about the name. Ms Joyce is said to have known the jugs as ‘Glug jugs’ but that the name was already registered by someone else. Ms Maitland was told that they were going to go with the name “Gluggle” and therefore made some enquiries on the domain name checker register ‘reg123’ to see if the name had been taken. It is said that Ms Joyce opted for the domain name ‘www.glugglejugs.co.uk’. Again no specific timeline is given as to when these discussions took place other than Ms Maitland confirming that she developed the website “over the course of the Summer of 2009” which went live on 22 September 2009.

Rosie Granger 30 May 2024

99. The purpose of Ms Granger’s second witness statement is to challenge aspects of GJF’s evidence. I have taken these on board but do not propose to outline the details

[37] Exhibit MW1

of each and every disputed fact. The main matters to be drawn from her statement are as follows:

- She produces an email dated 17 November 2009 from Ms Joyce to Paul Farmer in so far as the issue of consent in which it is said her understanding was merely giving permission to use the name Gluggle Jug in the USA.[38] The content of the email reads as follows:

  > "I have spoken to Rosie and we both agree that Wade can use the term Gluggle Jug – we both love the name and think it has more charm than Gurgling Cod. You can also use the strap line the jug that likes to glug. Rosie has just suggested that before you go to print you may want to double check with your American Colleagues that Gluggle doesn't have any strange meaning in the US that we may not be aware of."

- It is said that several requests were made to WCL to transfer the trade mark into GL's name and copies of emails in support of this contention are produced.[39] I note that these emails are dated after September 2021.

Findings of fact

100. I start by noting that, although these proceedings have been brought against GJF, the claims concern the position at a time when the contested marks were owned by WCL. Accordingly, it is WCL's position that falls to be assessed. I shall, therefore, make findings of fact in relation to the relationship between WCL and GL, since those findings will apply equally to GJF as WCL's successor in title.

101. Further, any rights upon which GJF now relies will necessarily derive from WCL. If WCL was not entitled to register the earlier rights in question, those rights could not have formed part of the assets transferred to GJF following WCL's administration, because they had been invalidly registered ab initio.

<u>Principal v Agent</u>

102. The parties entered into a commercial relationship by way of a written Agency Agreement, dated August 2009, a copy of which has been produced by both parties. The Agreement was entered into between WCL and GL and provides the clearest

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[38] Exhibit RG49
[39] Exhibit RG48

evidence of the parties' relationship. It records the appointment of GL as WCL's exclusive agent within the United Kingdom in relation to WCL's products, subject to certain pre-existing House Accounts retained by WCL. The products to which the Agreement relate are identified and defined in the preamble as "Gurgle/Gluggle Jugs."

103. Although WCL's sales at that time were predominantly outside the United Kingdom and its UK presence was relatively limited, I am satisfied that WCL was already manufacturing fish shaped jugs using the original moulds previously owned by Dartmouth Pottery when it was approached by Ms Granger and Ms Joyce in March 2009.

104. The terms of the Agreement define the respective roles, responsibilities and obligations of the parties and consistently characterise GL as acting on behalf of WCL.

105. I find that WCL was responsible for the manufacture of the products, the issuing of invoices, the fulfilment of orders and to which complaints and refunds were directed as well as controlling the price point of the goods. GL was responsible for building up trade accounts and finding customers as per the terms of the agency agreement and latterly sold a quantity of goods directly to customers.

106. I find that all decisions regarding the product were directed and referred to WCL. This is evidenced by amongst other matters GL's response to Ms Mahlo enquiring to become an EU distributor and the fact that the BBC Radio interview was offered to WCL first. The reasons why WCL ultimately did not participate, or whether, as alleged, it simply was not interested, are immaterial. The salient point is that GL initially referred the decision to WCL, consistent with WCL's position as principal and ultimate decision maker as can be seen from the following extracts.

> "Jane and I only have exclusive rights to sell the jugs within the UK so you would need to contact Kim Rowley direct as they own the rights to the jug. You would need to have a contract with them to sell the jugs in Europe"[40]
>
> "We asked Wade if they wanted to conduct the interview, but they did not see merit in doing it, so agreed we could do it".[41]

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[40] Email to Ms Mahlo dated 10 September 2011.
[41] Ms Joyce's first witness statement.

107. I accept that GL may well have notified WCL of the most popular colour ranges and influenced the range of colours being produced, however this does not mean that GL's position changed to that of the principal in the arrangement. I find that GL was the front facing part of the business in terms of marketing the Gluggle branded product and sourcing trade customers. In effect fulfilling their role as an agent.

108. During the course of the commercial relationship both parties operated websites and email addresses which had domain names by reference to the name Gluggle. Both GL and WCL attended trade shows/fairs of various degrees of formality and size. Where GL attended alone at small fairs I find that it did so on behalf of WCL or at the very least for the joint purpose of benefitting both parties. From the evidence filed I find that WCL was responsible for the character and quality of the Gluggle branded products, whereas GL was responsible for marketing and selling these products, receiving a commission in return for their activities.

109. In my view, despite the initial approach coming from GL there can be little doubt that GL was appointed as WCL's agent. I find that WCL was the principal and that GL was their agent up until 2013 on an exclusive basis.

Termination of the Agreement

110. The Agreement was expressed to continue for a trial period of six months or for as long as agreed.[42] Following a meeting between the parties the terms of the Agreement were altered as confirmed in a letter dated 13 May 2013 from Mr Farmer.

111. The parties disagree as to the legal effect of Mr Farmer's letter. GL argues that the letter only terminated the exclusivity element of the Agreement, leaving the remainder of its terms intact. WCL, by contrast, contends that the Agreement was terminated in its entirety but that the relationship continued on an informal basis. The letter from Mr Farmer itself is ambiguous and the supporting evidence does not conclusively resolve the issue. The Agreement stipulates that three months' notice of termination is required, and such notice appears to have been given as seen by the following wording "*….the exclusivity agreement with Gluggle Limited will terminate three months from todays' date"*. However, the letter goes on and refers to this aspect as "*this amendment"* which *"will not affect the relationship in terms of sales and*

[42] Clause 2.1.

acquisition of new business etcetc." which suggests that the entirety of the agreement was not terminated.

112. Taking into account the subsequent conduct of the parties, including requests for copies of the Agreement by WCL and attempts to amend its terms in 2021 it is, on balance, more likely than not that the written Agreement was not wholly terminated in 2013. However, whether I am right in this assessment or not makes little difference, because at the very least I am satisfied that the commercial relationship between the parties continued in some guise even though it is unclear exactly which contractual provisions survived. The parties appeared to have carried on working together even if this was on an informal basis and adopted the same terms as the agreement itself in terms of sales and acquisition of new business. However, the clause about IP rights is not referred to in the letter as being reproduced in the new arrangement and therefore does not appear to have formed part of the continuing relationship. I am not persuaded that the evidence enables me to make a definitive finding on the precise contractual position following 2013. However, as will become clear later in my decision whether the Agreement was terminated in its entirety or not, makes little difference.

113. It is sufficient to say at this stage that the substantive and key elements of the Agreement remained in force regarding their obligations to each other and their respective roles as agent and principal at all relevant dates, up until WCL entered into administration. More significantly, following the exclusive nature of the arrangement coming to an end, WCL was under no contractual obligation to seek GL's permission before appointing other agents or representatives.

<u>Use and creation of the name Gluggle prior to and after 2009</u>

114. I find that WCL was manufacturing fish jugs prior to it being approached by GL, but I do not accept that this was under the sign Gluggle. The evidence that is produced by Mr Farmer of the use of the name prior to 2009 is undated or dated mostly in 2024. Whilst there is one screenshot of a YouTube video displaying jugs bearing the mark 'Gluggle ByWade' the date is shown as 2012, some 3 years after the commercial relationship commenced. There is no evidence to support Ms Rowley's contention that the name came from suggestions from WCL's employees.

115. Absent any other explanation, I find that it was more probable than not that the name Gluggle was coined by Ms Granger and Ms Joyce in early 2009 which is

supported by the date of incorporation of their company in March 2009 and the inclusion of clause 18.12 in the Agency agreement (regarding the right to the name). I cannot rule out the possibility that the name was coined by both parties during their initial meetings/pre agreement discussions in March 2009, however, there is no documented evidence to confirm this. What I am certain, however, is that there is no evidence that the name Gluggle was being used by WCL prior to the commencement of its relationship with GL in early 2009.

Knowledge and Consent

116. I find that WCL requested and was granted permission to use the name Gluggle Jug in November 2009 and that they sought permission to register the name as a trade mark. I find that GL had knowledge of this fact and gave consent to this, even if they were under a misapprehension as to the effect of registration in terms of its conflict with clause 18:12. The fact that the parties were in regular meetings during this time suggests that the application and registration was done with their full knowledge which is supported by the email correspondence produced in evidence.

117. It is clear that as at March 2010 when the 925 mark was filed, WCL believed that it needed to seek permission from GL to register the name Gluggle as a trade mark. However, once it was permitted to register that mark, GL effectively relinquished any claim thereafter to control the use or registration of the name from the terms of the Agreement.

118. Having become the registered proprietor of the 925 mark, and having acted in that capacity for over ten years without objection from GL, WCL was entitled to regard the registration and protection of the mark as its own and exercise those rights exclusively without recourse to GL. In those circumstances, there was no ongoing requirement for WCL to seek further permission from GL when it filed the subsequent trade mark applications (the 151 and 659 marks) in November 2020 and July 2022.

Clause 18:12 Right to the name

119. Whilst intellectual property is defined in the preamble to the Agreement, the Agreement itself contains no express provision allocating ownership of those rights between the parties. There is, however, a “right to use the name” provision at clause 18:12 (as reproduced previously) which suggests that WCL was entitled to use the

relevant name Gluggle by way of what appears to be a licence from GL. However, any significance that clause might otherwise have carried, was overtaken by subsequent events, namely the filing and registration of the 925 mark.

120. I find that GL relinquished their rights to the name ‘Gluggle’ when they permitted WCL to register the 925 mark. Even if I am wrong and they did not grant actual permission at the very point of filing the application in March 2010 they were aware of WCL’s intentions from at least November 2009 and did nothing to challenge the proprietorship until 2021. From the evidence produced by GL themselves, they acknowledged WCL’s ownership of the rights to the jugs. Moreover, they allowed the uncontrolled use of the name and trade mark not only by WCL but by third parties appointed by WCL. I do not accept that they continually requested that the trade mark be transferred into their name. I find from the evidence produced that any challenge only arose for the first time in 2021 when Ms Granger accepts the relationship had become strained and WCL was in financial difficulties. There is no suggestion and I do not find that this was raised by GL prior to this date.

121. I shall bear these findings in mind when going through each of the grounds.

Decision

122. Sections 5(4)(a), 5(6) and 3(6) of the Act have application in invalidation proceedings pursuant to section 47 of the Act. The relevant parts of Section 47 state as follows:

> “47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration). […]
>
> (2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-
>
> > (a) […]
> >
> > (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.
>
> […]

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

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed."

Section 3(6)

123. Section 3(6) of the Act states:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith."

124. In *SkyKick UK Ltd & Anor v Sky Ltd & Ors (Rev1),* [2024] UKSC 36, Lord Kitchin summarised the general principles applicable to bad faith at [240] as follows:

"(i) […]

(ii) The date for assessing whether an application to register [a] trade mark was made in bad faith is the date the application for registration was made (*Lindt,* para 35).

(iii) Bad faith in this context is an autonomous concept of EU law which must be given a uniform interpretation […], and must be interpreted in the context of Directive 89/104 in the same manner as in the context of Regulation 40/94 ([*Malaysia Dairy Industries Pte Ltd v Ankenaevnet for Patenter og Varemaerker* (C-320/12) EU:C:2013:435 ("*Malaysia Dairy*")], para 29; *[Sky plc v SkyKick UK Ltd* (C-371/18) EU:C:2020:45 ("*Sky CJEU*")], para 73).

(iv) While, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention, the concept must also be understood in the context of trade mark law, which involves the use of marks in the course of trade. Further, it must have regard to the objectives of the […] law of trade marks, namely the establishment and functioning of […] a system of undistorted competition 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 consumers, without any possibility of confusion, to distinguish those goods or services from those which have a different origin (Lindt, para 45; [*Koton Mağazacilik Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO)* (C-104/18) EU:C:2019:724 ("*Koton*")], para 45).

(v) Consequently, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin (*Koton*, para 46; *Sky* CJEU, para 75).

(vi) The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having regard to the objective circumstances of the case ([*Hasbro Inc v EUIPO, Kreativni Dogaaji d.o.o. (intervening)* (Case T-663/19) EU:T:2021:211 ("*Hasbro*")], paras 39 and 40; *Koton*, para 47).

(vii) The burden of proving that an application for a registered mark was made in bad faith lies on the party making the allegation. But where the circumstances of the case may lead to a rebuttal of the presumption of good faith, it is for the proprietor of the mark to explain and provide a plausible explanation of the objectives and commercial logic pursued by the application for registration (*Hasbro*, paras 42 and 43).

(viii) Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all of the factors relevant to the particular case (*Lindt*, para 37).

(ix) The applicant for a trade mark is not required to indicate or to know precisely when the application is filed or examined, the use that will be made of it (*Sky* CJEU, para 76; [*AS v Deutsches Patent-und Markenamt* (C-541/18) EU:C:2019:725], para 22).

(x) Nevertheless, the registration by an applicant of a mark without any intention to use it in relation to the goods and services covered by the registration may constitute bad faith where there is no rationale for the application in the light of the aims referred to in Regulation 40/94 and Directive 89/104 (*Sky* CJEU, para 77).

(xi) Such bad faith may, however, be established only where there are objective, relevant and consistent indicia tending to show that, when the application was filed, the applicant for registration had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark (*Sky* CJEU, para 77).

(xii) It follows that the bad faith of the applicant cannot be presumed on the basis of a mere finding that, at the time of filing the application, the applicant had no economic activity corresponding to the goods and services referred to in the application (*Sky CJEU*, para 78).

(xiii) When the absence of an intention to use the mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that constitutes making the application in bad faith only in so far as it relates to those goods or services (*Sky CJEU*, para 81).

(xiv) If, at the end of the day, the court concludes that, despite formal observance of the relevant rules and conditions for obtaining registration, the purpose of the rules has not been achieved, and that there was an intention to take advantage of the rules by creating artificially the conditions laid down for obtaining the registration, this may amount to an abuse sufficient to find that the application was made in bad faith (see, for example, *Hasbro*, para 72).

(xv) Directive 89/104 does not preclude a provision of national law under which an applicant for registration must state that the mark is being used in relation to the goods or services in relation to which it is sought to register the mark, or that the applicant has a bona fide intention that it should be used, provided that infringement of such an obligation cannot constitute a ground for invalidity. It may, however, constitute evidence for the purposes of establishing possible bad faith on the part of the applicant when the application was filed (*Sky* CJEU, paras 86 and 87)."

125. The dates for assessing whether the applications to register the trade marks at issue were made in bad faith are the dates the applications for registration were filed.[43] Consequently, the relevant dates are 4 March 2010, 12 November 2020 and 12 July 2022.

126. According to *Alexander Trade Mark*,[44] the key questions for determination in a claim of bad faith are:

(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?

127. It must be noted that in *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation*, BL O/013/05, Professor Ruth Annand as the Appointed Person held that:

"22. [A] claim of bad faith is not avoided by making an application in the name of an entity that is owned or otherwise controlled by the person behind the application."

128. Consequently, the knowledge, intentions and motives of WCL as the original proprietors when the applications were filed can properly be attributed to GJF as its predecessor in title.[45]

129. It is necessary to ascertain what WCL knew as at the relevant date.[46] I shall deal with the 925 mark first because my assessment of the position as at the filing date of

[43] in respect of the 151 mark this means the original EU filing date
[44] BL O/036/18
[45] *John Williams and Barbara Williams v Canaries Seaschool SLU,* BL O/074/10
[46] *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch)

this mark as the original application shall have a bearing on the subsequent filings. I bear in mind that evidence of subsequent events may be relevant if it casts light backwards on the position as at the relevant date.[47]

130. As per the case law cited above it is for the party alleging bad faith to prove it. The initial evidential burden falls upon GL therefore: it must provide evidence from which a rebuttable presumption of bad faith can be drawn. Provided it does that then the burden shifts to GJF to rebut the allegation. In deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as they are bad faith.[48]

131. The sole basis for GL's claim to bad faith is that WCL applied for the trade mark without Mr Granger and Ms Joyce's knowledge or consent. More particularly that they had retained the entitlement to the name Gluggle by virtue of clause 18:12 in the Agency Agreement. They believed therefore despite registration of the trade marks if the contract between the parties was terminated that name reverted back to them and WCL would no longer be entitled to use the name. Whilst this claim may well have had some merit were we looking solely at the Agreement in isolation, matters have been superseded somewhat by the application and registration of the trade mark registrations. Once the 925 mark was filed and registered the parties' respective rights in the name fell to be determined by reference to trade mark law rather than solely by the contractual agreements between them.

132. Ms Granger and Ms Joyce state that they did not give written permission and any permission that they did give was solely as to the use of the name and not to register it as a trade mark. However, this is not borne out from the evidence filed. A number of emails and documents relied upon by Ms Granger and Ms Joyce contradict this stance and are in any event dated after the relevant dates. Whilst I may take into account evidence which casts light backwards as to the position at the relevant time, I am not entirely convinced that in particular Ms Granger's narrative evidence, accurately

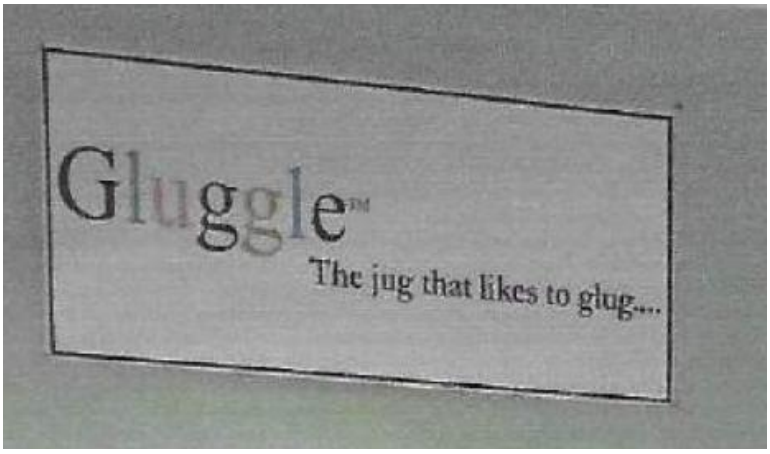
[47] *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).
[48] Ibid *Red Bull*

reflects the true position from that time. This is because I find that Ms Garner's retrospective recollection of events is clouded by the current dispute.

133. I note that there is no clause in the Agreement prohibiting either party from registering the name Gluggle as a trade name. Further there is no suggestion that WCL made representations that it intended to file the trade mark application in joint names or in GL's sole name and then failed to do so. The explanation as to the reason behind the application (accepted by both parties) is that this came about as a result of a dispute in the USA, although I am not told by either party as to the exact nature of that dispute. The evidence indicates that GL was aware from the outset of WCL's intention to register the mark in its own name and understood the reasons for that decision.

134. On the evidence I find that GL had both knowledge of WCL's intention to file the 925 mark and permitted it to proceed even if Ms Granger and Ms Joyce were under a misapprehension as to the effect of that registration on the contractual provision concerning the name within the terms of the Agreement. Notwithstanding the Agreement subsisting, I find that GL relinquished all rights to the name at this time.

135. I am fortified in this finding given that GL has shown that it used the name Gluggle as a trade mark at fairs, thereby acknowledging, or at least acting consistently with, WCL's claim to the mark. The photographic evidence (as reproduced below) reinforces this finding. The photographs, said to be representative of the stands used by GL over a period of more than nine years, show the use of the name Gluggle displayed alongside a trade mark registration mark (TM). That presentation indicates that the GL used the name as a trade mark with full knowledge that the registration stood in WCL's sole name.



136. I do not consider that the filing by WCL was motivated by a dishonest intention or other motive. The account provided is that it was done to protect the brand and was in keeping with their genuine belief that they owned the rights to the jugs given that they had purchased the moulds from Dartmouth pottery.

137. For these reasons I do not find that at the date of filing the 925 mark WCL acted in bad faith.

138. In terms of the 151 and 659 marks the same finding applies. By the time of filing these trade marks, WCL had had uncontrolled use of the original 925 trade mark for over 10 years and had been enforcing their rights under it over that whole period. There was no reason or obligation for it to seek permission when they filed a variant of the earlier mark, given that their proprietorship rights had been established over a long period of time.

139. Even if I am wrong, and GL had not in fact given permission at the time, by its own admission it became aware that WCL had applied for and obtained registration of the mark in May 2010 and were happy for the position to continue for over ten years. GL permitted not only WCL but also third parties appointed or authorised by WCL, the

uncontrolled use of the name Gluggle as a trade mark over this time. Its failure to challenge WCL's proprietorship of the trade mark therefore means that GL has acquiesced to the registration in accordance with section 48 of the Act which states:

> "48. Effect of acquiescence.
>
> (1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right—
>
>> (a) to apply for a declaration that the registration of the later trade mark is invalid, or
>>
>> (b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was applied for in bad faith.
>
> (2) Where subsection (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark or, as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark or right may no longer be invoked against his later trade mark."

140. Consequently, even if GL had not given actual permission as at March 2010 the fact that it did nothing to challenge the position for over ten years means that it is not in a position to do so now. For the avoidance of doubt nor do I find that the application was made in bad faith.

141. GL's claim under section 3(6) fails.

Section 5(4)(a)

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

> "(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,

(aa) […]

(b) […]

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

143. Subsection (4A) of Section 5 states:

"(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."

General principles of Section 5(4)(a)

144. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

"55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "a substantial number" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

145. 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."

The relevant date for section 5(4)(a)

146. GL has not pursued any claim under section 5(4)(a) against the 925 mark rather it only pursues its claim against the 151 and 659 marks. The prima facie relevant dates

therefore for the purposes of this ground are the filing dates of the trade marks at issue namely 12 November 2020 and 22 July 2022.

147. I note that GL's claimed use of the signs is dated from 2009, on the basis that this is when the commercial relationship began with WCL. It is quite clear from my earlier findings that both WCL and GL have used the marks in the period prior to the prima facie relevant dates. Whilst ordinarily I would, therefore, be looking at the evidence and the position at the date of the start of the behaviour complained about,[49] for reasons that will become apparent I shall start by considering the position as at the prima facie relevant dates. This is because both WCL and GL were acting with each other's consent and jointly under the contractual agreements.

Goodwill

148. The meaning of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) 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."

149. I note that GL's claim to goodwill predominantly originates from its belief that it created the name Gluggle and suggested it to WCL. I note that Ms Granger places some weight on this fact. I have accepted that it is more probable than not that Ms Granger and Ms Joyce coined the name as opposed to the version advanced by Mr Farmer and Ms Rowley. Even so, as stated by Millet L.J. the creation of a name per se gives no legal right to it.[50]

> "[30] It is well settled that (unless registered as a trade mark) no one has a monopoly in his brand name or get up, however familiar these may be. Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected by an action for passing off is not the plaintiff's proprietary right in the name or get up which the defendant has misappropriated

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[49] *SWORDERS TM* O-212-06, as endorsed by Mr Danel Alexander KC sitting as the Appointed Person in *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410 11.
[50] *Harrods Limited v Harrodian School Limited* [1996] RPC 697

> but the goodwill and reputation of his business which is likely to be harmed by the defendant's misrepresentation."

150. Consequently, I do not consider this line of argument assists GL in establishing who owned the goodwill in the business. Ms Granger outlines GL's involvement in developing and marketing the brand under the name Gluggle. However, both WCL and GL acted jointly in this regard, WCL as the manufacturer of the goods and therefore the principal and GL as its agent. It is not borne out by the evidence and I do not accept the contention that the situation was the other way round i.e. that GL was the principal and that WCL was its supplier.

151. Clearly, there was a contractual relationship between WCL and GL. Unfortunately, there is nothing in the Agreement to expressly identify who owns any goodwill generated in the UK under that agreement. There is no suggestion by either party that such a term should be inferred. *Wadlow on the Law of Passing-Off, 6th Ed*., contains the following helpful guidance as to the ownership of goodwill as between manufacturer and distributor when there is no agreement covering the ownership of goodwill (which I consider equally applies to agents):

> "3-294 There are two distinct, and not necessarily consistent, standards in this passage. One is to ask who is in fact most responsible for the character or quality of the goods; the other is to ask who is perceived by the public as being responsible. The latter is (perhaps surprisingly) the more important, but it does not provide a complete answer to the problem because in many cases the relevant public is not concerned with identifying or distinguishing between the various parties who may be associated with the goods. If so, actual control provides a less decisive test, but one which does yield a definite answer.
>
> 3-295 To expand, the following questions are relevant as to who owns the goodwill in respect of a particular line of goods, or, mutatis mutandis, a business for the provision of services: (1) Are the goods bought on the strength of the reputation of an identifiable trader? (2) Who does the public perceive as responsible for the character or quality of the goods? Who would be blamed if they were unsatisfactory? (3) Who is most responsible in fact for the character or quality of the goods? (4) What circumstances support or contradict the claim of any particular trader to be the owner of the goodwill? For example, goodwill

is more likely to belong to the manufacturer if the goods are distributed through more than one dealer, either at once or in succession. If more than one manufacturer supplies goods to a dealer and they are indistinguishable, the dealer is more likely to own the goodwill [See *Gromax v Don & Low* [1999] R.P.C. 367 (Lindsay J).]."

152. Both parties accept that the goods sold by GL originated from WCL. Whilst there is some suggestion that they may have subcontracted supply to third parties this was short term and, on the whole, even when this occurred it was on the instruction of WCL.Further WCL retained control over all aspects of the products and was responsible for the supply and fulfilment of orders, pricing, quality control, and handling of returns, the issuing of invoices and payment was made to it as per the terms of the Agreement. GL were paid a commission fee from WCL for marketing, reselling the goods and in effect sourcing customers. GL does not appear to have borne any manufacturing risk or liability. The products themselves were back stamped underneath "by Wade" and the invoices were issued in WCL's name. Even though orders were placed via GL, it seems to me that customers who purchased the goods via GL would have been made aware that the goods were originating from the manufacturer WCL. I find that WCL was in fact responsible for the quality and characteristics of the goods from 2009 onwards. Further there is nothing to suggest that this situation changed during the subsistence of the commercial relationship which continued up until WCL entered into administration.

153. In terms of the commercial relationship Mr Farmer recounts that GL either forwarded customer orders to WCL or sold a limited quantity of stock via e-commerce, but that the vast majority of sales, production, fulfilment, invoicing, and customer interactions were undertaken by WCL. Only a small proportion of products in comparison were sold by GL directly.

154. As noted above GL was not the sole agent of WCL (even when there was an exclusivity clause in place). The evidence shows there was more than one entity selling the goods under the name Gluggle in the UK. WCL had house accounts and were also supplying to third parties. The fact that GL was paid a monthly commission fee for its services under the agreement, would also be unusual if it had been trading in the goods on its own account. The payment of commission suggests that GL was

simply acting as an intermediary, with the purpose of marketing, promoting and distributing goods on behalf of WCL. This impression is reinforced by the terms of clauses 2 and 3 of the Agreement which set out the respective parties' obligations.

155. Whilst GL was incorporated in March 2009 some three months prior to the commencement of the Agreement, there is no suggestion that it had started trading at this point or accrued any goodwill in this period since goodwill arises as a result of trading activities.

156. From 2009 onwards, I have found that WCL was the entity whom the public would consider as responsible for the characteristics and quality of the goods. I do not find that the goods were manufactured to the order of GL although they can be no doubt that they had an input in obtaining trade accounts and the range of colours produced based on their knowledge as to what ranges were popular.

157. GL has not produced any actual invoices demonstrating that it traded in its own right without reference to WCL. Whilst Ms Granger has produced a schedule of figures said to represent e-commerce/commission sales generated by GL independently of WCL,[51] at its highest showing sales in excess of £190,000, I note that this is a self generated table but there has been no cogent evidence filed in terms of invoices or accounts or other supporting financial records to corroborate that assertion. WCL contends that the actual payments made to GL were considerably lower than those figures suggest and relies upon the accounts produced up to 2014, which it says more accurately reflects the commission payments received by GL in its capacity as an agent. It was open to GL to file evidence in reply to counter WCL's challenge, but no further evidence was filed in this regard. Consequently, I am not satisfied that the table accurately reflects sales made directly and independently by GL. In contrast, the invoices produced by GJF support its contention that sales were invoiced to and made by reference to WCL. That evidence has not been materially challenged by GL. There is no evidence before me of invoices addressed to customers in GL's name alone or otherwise indicating that GL was acting as anything other than as an agent. WCL remained the principal in all transactions.

[51] Exhibit RG30

158. Further GL continued to receive commission payments pursuant to the parties' agreement. That arrangement is consistent with GL acting as an agent generating business for WCL rather than trading as an independent principal in its own right. The evidence does not establish that GL had transitioned from acting principally on behalf of WCL to operating as an independent business generating substantial goodwill in its own name as at the relevant dates.

159. Even if I am wrong in my primary finding and GL may have generated a limited goodwill in its own right by 2022, this would at best have been as that of an agent for the sale of goods of others. That goodwill would, therefore, potentially support a passing off claim against third parties but would not entitle it to assert such a claim against WCL itself, which was both the manufacturer of the goods and the primary owner of the goodwill subsisting in the business at that time. In those circumstances, GL's passing off rights could not override WCL's superior claim to the goodwill in question, which would apply equally to GJF as the successors in title.

160. In those circumstances, I am not satisfied that the evidence establishes the existence of goodwill belonging to GL alone nor that it had displaced any goodwill belonging to WCL. An agent may assist in developing and maintaining a principal's customer base, but absent clear evidence that customers identified the business exclusively with the agent, any resulting goodwill ordinarily would accrue to the principal rather than the agent. This is exactly the case before me.

161. I note that upon entering administration, WCL's assets were valued and subsequently sold as a going concern, including its goodwill and the intellectual property rights associated with the business. Consequently, my primary finding is that the goodwill was held by WCL and therefore GL's claim to passing off fails at the first hurdle. Even if I had found that GL held its own goodwill it would only have been as an agent of WCL and it would not have been able to bring a claim against WCL and also GJF in passing off or succeeded in establishing misrepresentation or damage against it.

162. GL's claim under section 5(4)(a) is unsuccessful.

Section 5(6)

163. Section 5(6) of the Act is as follows:

"Where an agent or representative ('R') of the proprietor of a trade mark applies, without the proprietor's consent, for the registration of the trade mark in R's own name, the application is to be refused unless R justifies that action."

164. In *Mouldpro ApS v European Union Intellectual Property Office* (EUIPO), the General Court ("GC") summarised the case law on the question of when a party may be regarded as an "agent" or "representative" of an opponent or an applicant for invalidation. The court said:

"21. It is apparent from the wording of Article 60(1)(b) of Regulation 2017/1001 that, for an opposition to succeed on that basis, it is necessary, first, for the opposing party to be the proprietor of the earlier mark; second, for the applicant for the mark to be or to have been the agent or representative of the proprietor of the mark; third, for the application to have been filed in the name of the agent or representative without the proprietor's consent and without there being legitimate reasons to justify the agent's or representative's action; and, fourth, for the application to relate in essence to identical or similar signs and goods. Those conditions are cumulative (judgment of 13 April 2011, *Safariland v OHIM – DEF-TEC Defense Technology (FIRST DEFENSE AEROSOL PEPPER PROJECTOR),* T-262/09, EU:T:2011:171, paragraph 61."

165. The European courts have also given the following guidance:

(a) The terms "agent" and "representative" must be interpreted broadly, covering all kinds of relationships based on a contractual agreement where one party represents the interests of the other. It is sufficient that the agreement or commercial cooperation between the parties gives rise to a fiduciary relationship by imposing on the applicant, whether expressly or implicitly, a general duty of trust and loyalty as regards the interests of the proprietor of the earlier mark (EUIPO v John Mills Ltd & Jerome Alexander Consulting Corp., Case C-809/18 P, EU:C:2020:902, paragraph 85);

(b) It does not matter how the contractual relationship between the proprietor or principal, on the one hand, and the applicant for the EU trade mark, on the other, is categorised (*FIRST DEFENSE AEROSOL PEPPER PROJECTOR*, T-262/09, EU:T:2011:171, paragraph 64, and *Moonich Produktkonzepte & Realisierung v Office for Harmonisation in the Internal Market* (Trade Marks and

Designs) (OHIM) – *Thermofilm Australia (HEATSTRIP*), T-184/12, not published, EU:T:2014:621, paragraph 58);

(c) Nevertheless, some kind of agreement must exist between the parties. A mere purchaser or client of the proprietor cannot be regarded as an 'agent' or as a 'representative' (*FIRST DEFENSE*, paragraph 64);

(d) The misuse of the mark may occur both where the earlier mark and the mark applied for by the agent or representative are identical, and where the marks at issue are similar (*EUIPO v John Mills Ltd,* paragraphs 70-73);

(e) The protection also extends to cases where the goods and services are only similar and not identical (*EUIPO v John Mills Ltd*, paragraphs 98-99);

(f) The specific protection afforded by Article 8(3) is not to be assessed on the basis of whether the similarity between the marks results in a likelihood of confusion (*EUIPO v John Mills Ltd*, paragraph 92); g) The assessment of similarity between the goods and services should take all relevant factors into account, including, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (*EUIPO v John Mills Ltd, paragraph 100* and *The Tea Board v EUIPO*, C-673/15 P, EU:C:2017:702, paragraph 48).

166. In terms of any claim against GJF itself, it was not a party to any Agreement and therefore could not have been an agent or representative of GL. The claim against GJF under this ground, therefore, cannot succeed.

167. In terms of any potential claim against WCL as GJF's predecessor in title, GL's claim under this ground is made on the same basis as those it advanced under section 3(6) and 5(4)(a), and so I can also deal with this claim swiftly. The case law referred to above establishes that one of the (cumulative) conditions of a successful claim of this kind is that the application must have been filed in the name of the agent or representative without the proprietor's consent and without legitimate reasons to justify the action. I have already explained above that, based upon the evidence filed in these proceedings, it was GL that was the agent of WCL and not the other way round and further the application was not made without GL's knowledge or permission.

168. For these reasons, GL's claim against GJF or WCL does not satisfy the conditions of section 5(6) and the invalidation based upon this ground fails.

Overall Conclusion

169. GL's invalidation claims fail against all three trade marks registrations. The trade mark registrations numbered 3696151, 3808659 and 2540925 shall remain registered.

Costs

170. Having succeeded, GJF is entitled to a contribution towards its costs based on the scale as set out in Tribunal Practice Notice 2/2016. Taking this scale into account and noting that there were three applications, I award costs on the following basis:

Considering the Notices of Invalidation and preparing counterstatements:	£500
Preparing and filing evidence and considering the other sides evidence:	£1,500
Preparing for and attending a hearing:	£1,000
Total	**£3,000**

171. I order Gluggle Limited, to pay The Gluggle Jug Factory Limited, the sum of £3,000 as a contribution towards its costs. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case, if any appeal against this decision is unsuccessful.

Dated this 4th day of August 2026

Leisa Davies

For the Registrar