

TRADE MARKS ACT 1994

**IN THE MATTER OF UK REGISTRATION NO. 3316219 IN THE NAME OF
BELFAST GIN DISTILLERY LIMITED**

**AND IN APPLICATION FOR DECLARATION OF INVALIDITY THERETO
UNDER NO. 502606 BY DANNY BOY LABEL LLP**

DECISION

Introduction

1. This is an appeal against a decision of Mr George Salthouse, acting on behalf of the Registrar of Trade Marks, dated 9 June 2020 (O-315-20). In his decision the Hearing Officer allowed the application for invalidity pursuant to section 47(2) of the Trade Marks Act 1994 (*'the 1994 Act'*) in its entirety under section 5(4)(a) of the 1994 Act and dismissed the application for invalidity under section 5(2)(b) of the 1994 Act. On the basis of these findings the Hearing Officer declared that Trade Mark Registration No. 331621 was deemed never to have been registered and went on to order that Belfast Gin Distillery Limited (*'the Proprietor'*) pay Danny Boy Label LLP (*'DBL'*) £1,500 as a contribution towards its costs of the proceedings.

Background

2. The Proprietor filed an application for the trade mark **TITANIC GIN** on 7 June 2018 for spirits and liquors in class 33 and spirits distillery services in class 40 (*'the Trade Mark'*). The Trade Mark was registered on 31 August 2018.
3. By an application dated 15 May 2019 DBL filed an application for invalidity pursuant to section 47(2) of the 1994 Act on the following grounds:
 - (1) Section 5(2)(b) of the 1994 Act on the basis of an earlier EU trade mark registration for the mark **TITANIC** in respect of alcoholic beverages (except beers) in class 33. This mark had been filed on 18 June 1998 and registered on 8 October 1999 (*'the Titanic Mark'*).
 - (2) Section 5(4)(a) of the 1994 Act on the basis that DBL has used the sign **TITANIC** on whiskey throughout the UK since 2008 and had a significant goodwill and reputation. It was alleged that the use of the mark in suit upon the goods and services with respect to which it was registered would damage the business of DBL and its reputation.

4. On 7 August 2019 the Proprietor filed a counterstatement. In its counterstatement the Proprietor (1) denied that the marks in issue were similar; (2) accepted that the goods in class 33 were similar; and (3) denied that the goods in class 40 were similar to DBL's goods. The Proprietor also put DBL to strict proof of use of the mark/sign **TITANIC** relied upon.
5. Both sides filed evidence and written submissions.
6. Neither side wished to be heard on the application and neither filed any further written submissions in lieu of being heard at a hearing.

The Hearing Officer's Decision

7. The Hearing Officer dealt with each of the grounds of invalidity relied on in turn. With respect to the section 5(2)(b) ground the Hearing Officer concluded that DBL had not overcome the requirements to show genuine use of the EU trade mark upon which it sought to rely (paragraph 40 of the Decision). He therefore dismissed the invalidity action put forward on the basis of section 5(2)(b) of the 1994 Act. As this finding is not the subject of any appeal, I shall say no more about it.
8. With regard to the section 5(4)(a) ground having briefly summarised the evidence (paragraph 6 of the Decision) the Hearing Officer then went on to summarise the general legal principles applicable to the issue that was before him by reference to the case law (paragraphs 8 to 11 of the Decision).
9. The first issue that the Hearing Officer considered was that of the relevant date for the purposes of the assessment. Having identified the relevant case law in paragraph 12 of the Decision the Hearing Officer concluded on the basis of the evidence before him that the relevant date was the filing date i.e., 7 June 2018.
10. The Hearing Officer then turned to consider the issue of goodwill. Having identified the case law at paragraphs 14 to 19 of the Decision the Hearing Officer found as follows:

20) Although the evidence is scant it seems fairly clear that until 2011 the mark TITANIC was being used, albeit on a relatively small scale, on whisky. When the distillery supplying the whisky was sold DBL was left only with its existing stock to sell. It has been selling the product through the intervening years as witnessed by the invoices supplied. The evidence shows that negotiations to resume the supply of whisky from the original distillery continued until 2014. Since then DBL has sought, without success to obtain supplies from other distilleries. However, it is not clear that it has abandoned its business.

11. The Hearing Officer then went on to consider the law on abandonment of goodwill and residual goodwill before finding:

22) I note that in the instant case there has been no announcement of cessation by DBL, it has clearly continued supplying its products and has clearly (sic) plans to continue in the business, witnessed by its registering new company names and seeking new artwork for labels. By themselves these acts are inconclusive, but they form part of a narrative which shows that DBL is attempting to maintain and expand its business beyond that which it enjoyed in 2011. No doubt this is linked to the initiatives centred around bringing tourists to Belfast which have centred around the shipyard where the Titanic ship was built. I fully accept that the sale of under £15,000 worth of whisky in the period 4 March 2014 to 16 February 2017 is very small in terms of the UK market for whisky, let alone spirits and would not register on the index of market share. However, this does not mean that DBL cannot be said to have goodwill in its mark as of the relevant date. The mark was first used in 2008 and it is clear that sales were still ongoing in 2017. The product was, according to the evidence of BGD, well regarded with the blogger who commented on its demise being sad that such a fine spirit was no longer available, although of course he was incorrect as he wrote his words in 2016 when the evidence shows the product was still for sale. I also take into account the issue of residual goodwill . . . [Citation from *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC)]

23) . . . [Reference to *Sutherland v V2 Music Ltd* [2002] EMLR 28 (HC) and citation of paragraphs [69] to [71] of the judgment of Arnold J. (as he then was) in *Pavel Maslyukov v Diageo Distilling Limited, Diageo Scotland Limited* [2010] EWHC 443 (Ch)]

24) In the instant case DBL (and its predecessors in business) used the Titanic mark on whisky for at least nine (sic) (2008-2017), even if the sales in the last few years were concentrated in Belfast and of a relatively small scale. I do not believe that its reputation would have evaporated in the sixteen months between February 2017 (the last invoice date) and June 2018 (the application date). DBL has therefore cleared the first hurdle of showing that it had reputation at the relevant date.

12. The Hearing Officer next turned to the issue of misrepresentation and found:

26) DBL had, at the relevant date, a reputation for whisky. The specification of the mark in suit is as follows:

- In Class 33: Spirits and liquors.
- In Class 40: Spirits distillery services

27) Clearly, the goods of the two parties (whisky and Spirits and liquors) are highly similar. [The Proprietor] contends that its services in class 40 are different to the whisky of DBL, but to my mind there is a clear connection between a distillery and a spirit. In the instant case the marks of the two parties TITANIC / TITANIC GIN must be regarded as identical, as the second mark could not be used on any spirit other than gin or it would be deceptive. Therefore, potential buyers would be faced with a bottle of whisky with the mark TITANIC and a bottle of gin with the mark TITANIC GIN upon it. This would undoubtedly cause deception as the buyer would without question believe the products originated from DBL. Turning to the distillery services, again [the Proprietor's] mark could not be used on whisky or other spirits without being deceptive. Anyone seeing the sign TITANIC GIN would naturally assume that the whisky suppliers, TITANIC, had branched out into other distilled spirits such as gin, a natural expansion. To my mind, a substantial number of the customers of DBL would undoubtedly be deceived and suffer misrepresentation if the instant mark were used on the goods and services applied for by [the Proprietor].

13. Finally, the Hearing Officer considered damage and concluded (paragraph 29 of the Decision) that *'in the instant case if DBL has established a goodwill and shown deception then damage can be considered as the automatic sequitur and the three elements of the classic trinity of passing-off will have been established'*.
14. On the basis of these findings the Hearing Officer upheld the application for invalidity under section 5(4)(a) of the 1994 Act (paragraph 42 of the Decision).

The Appeal

15. On 30 July 2020 the Proprietor filed appeal against the Hearing Officer's Decision pursuant to section 76 of the 1994 Act.
16. The essence of the appeal is that the Hearing Officer erred in finding that DBL had established that it had the requisite goodwill, as of the date of the application for the Trade Mark, for the purposes of an application for invalidity on the basis of section 5(4)(a) of the 1994 Act.
17. There were two aspects to the error identified by the Proprietor: (1) that the Hearing Officer had not identified the correct principles to be applied to his assessment of the earlier right in issue; and (2) that the Hearing Officer had not correctly assessed the evidence before him when reaching his conclusion that DBL had passed the first hurdle under section 5(4)(a) of the 1994 Act, namely demonstrating that it had the requisite goodwill.

18. There was a fall-back or alternative point that was also briefly raised which was that DBL has not shown any evidence to support a claim that it has any goodwill other than in relation to whiskey. That being the case the Proprietor should be entitled to maintain its registration in respect of gin in class 33 and the related services in class 40.
19. No Respondent's Notice was filed.
20. At the hearing of the appeal, which took place by video link, Ms Beth Collett instructed by Hanna IP appeared on behalf of the Proprietor and Ms Cherrie Stewart of Ansons Solicitors appeared on behalf of DBL.

Standard of review

21. An appeal against decisions taken by the Registrar is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. See Reef Trade Mark [2003] RPC 5; and Actavis Group PTC v. ICOS Corporation [2019] UKSC 1671 at [78] to [81].
22. Moreover, where the decision below involves the making of a value judgment the decision maker on appeal must be especially cautious about interfering with that judgment on appeal: see most recently Actavis (above) at [80]:

80. What is a question of principle in this context? An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. What is the nature of such an evaluative error? In this case we are not concerned with any challenge to the trial judge's conclusions of primary fact but with the correctness of the judge's evaluation of the facts which he has found, in which he weighs a number of different factors against each other. This evaluative process is often a matter of degree upon which different judges can legitimately differ and an appellate court ought not to interfere unless it is satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible:

Assicurazioni Generali SpA v Arab Insurance Group (Practice Note) [2002] EWCA Civ 1642; [2003] 1 WLR 577, paras 14-17 per Clarke LJ, a statement which the House of Lords approved in *Datec Electronic Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23; [2007] 1 WLR 1325, para 46 per Lord Mance.

23. In Fage UK Ltd v. Chobani UK Ltd [2014] EWCA Civ 5; [2014] E.T.M.R. 26 at paragraphs [114] and [115] Lewison LJ said:

114 Appellate courts have been repeatedly warned, by recent cases at the highest level, not to interfere with findings of fact by trial judges, unless compelled to do so. This applies not only to findings of primary fact, but also to the evaluation of those facts and to inferences to be drawn from them. The best known of these cases are: *Biogen Inc v Medeva plc* [1977] RPC 1; *Piglowska v Piglowski* [1999] 1 WLR 1360 ; *Datec Electronics Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23 [2007] 1 WLR 1325 ; *Re B (A Child) (Care Proceedings: Threshold Criteria)* [2013] UKSC 33 [2013] 1 WLR 1911 and most recently and comprehensively *McGraddie v McGraddie* [2013] UKSC 58 [2013] 1 WLR 2477 . . .

115 It is also important to have in mind the role of a judgment given after trial. The primary function of a first instance judge is to find facts and identify the crucial legal points and to advance reasons for deciding them in a particular way. He should give his reasons in sufficient detail to show the parties and, if need be, the Court of Appeal the principles on which he has acted and the reasons that have led him to his decision. They need not be elaborate. There is no duty on a judge, in giving his reasons, to deal with every argument presented by counsel in support of his case. His function is to reach conclusions and give reasons to support his view, not to spell out every matter as if summing up to a jury. Nor need he deal at any length with matters that are not disputed. It is sufficient if what he says shows the basis on which he has acted. These are not controversial observations: *see Customs and Excise Commissioners v A* [2002] EWCA Civ 1039; [2003] Fam. 55; *Bekoe v Broomes* [2005] UKPC 39; *Argos Ltd v Office of Fair Trading* [2006] EWCA Civ 1318; [2006] U.K.C.L.R. 1135.

24. This approach was recently reconfirmed by the Court of Appeal in Assetco plc v. Grant Thornton UK LLP (2020) [2020] EWCA Civ 1151 at [156].
25. That this is the correct approach for me to adopt on this appeal was not disputed by the parties.

Decision

26. As noted above, in the present case the Hearing Officer found on the evidence that was before him that DBL had not abandoned the goodwill that it had in the sign **TITANIC** and as of the relevant date there was a protectable residual goodwill in relation to whiskey.
27. On this appeal the Proprietor maintains that:

- (1) In finding that there was not an act of abandonment the Hearing Officer failed to analyse or properly analyse the nature and extent of the goodwill, if any, that DBL had built up at the time when it was conducting business under the sign **TITANIC** i.e., ‘*what was the position with regard to the goodwill at the point the active trade ceased*’? and/or
- (2) In considering whether there was a protectable goodwill at the relevant date failed to analyse or properly analyse the question of whether there was any residual goodwill in the sign **TITANIC** still in existence as of that date i.e., ‘*[w]hat happened to the goodwill following the cease (sic) of the active trade and the Relevant date*’?
28. The starting point in relation to the legal issues raised by this appeal are first general principles applicable to goodwill in the context of a claim for passing off; and second the principles relating to extinction and abandonment of goodwill.
29. With regard to the first principle as Lord Neuberger explained in Starbucks (HK) Ltd v. British Sky Broadcasting Group plc [2015] UKSC 31 at paragraph [47] (emphasis added):

... I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products or services in question. And, where the claimant’s business is abroad, people who are in the jurisdiction, but who are not customers of the claimant in the jurisdiction, will not do, even if they are customers of the claimant when they go abroad.

Lord Neuberger then went on to say at paragraph [52] (emphasis added):

As to what amounts to a sufficient business to amount to goodwill, it seems clear that mere reputation is not enough, as the cases cited in paras 21-26 and 32-36 above establish. The claimant must show that it has a significant goodwill, in the form of customers, in the jurisdiction, but it is not necessary that the claimant actually has an establishment or office in this country. In order to establish goodwill, the claimant must have customers within the jurisdiction, as opposed to people in the jurisdiction who happen to be customers elsewhere. ...

30. Moreover, the assessment of the amount of goodwill is relevant as it must be more than merely ‘*trivial*’ see Jacob J. (as he then was) in Hart v. Relentless Records [2002] EWHC 1984 (Ch) at paragraph [17]. That is not to say that a small business cannot rely upon the law of passing off as much as a large one but in either case it will not protect the goodwill which any reasonable person would consider trivial as

explained by Laddie J. in Sutherland v. V2Music Ltd [2002] EMLR 28 at paragraph [22] (emphasis added):

There is one other general matter to deal with before turning to the facts, namely the size of the claimant's reputation. At some point a reputation may be respected by such a small group of people that it will not support a passing-off action. Neither Mr. Purle nor Mr. Speck were able to formulate a test for this bottom level. Mr Purle said it was a matter of fact and degree. I agree with that. The law of passing off protects the goodwill of a small business as much as a large, but it will not intervene to protect the goodwill which any reasonable person would continue trivial.

31. With regard to the principles relating to extinction and abandonment of goodwill a convenient summary can be found summarised in Kerly's Law of Trade Marks and Trade Names (16th Edition) at paragraph 20-060 as follows (footnotes omitted):

If a business ceases or suspends trading temporarily, there remains a residual goodwill which the claimant might wish to sell or use in a reopened business. If once the business is definitively abandoned, however, so that the claimant no longer owns goodwill, there can be no passing off. Where no positive decision is made to abandon goodwill, but trade under the mark has nonetheless ceased with no concrete plan for restarting operations, the question of whether any residual goodwill survives, and for how long, is a question of fact in each case. This paragraph was cited with approval by the Appointed Person in *Simmons*. Cessation of production of goods or provision of services does not necessarily mean that there has been a cessation of business capable of sustaining goodwill, or that the goodwill which exists at the date of cessation has been abandoned or destroyed.

32. The position is also explained in The Law of Passing Off (5th Edition) by Professor Wadlow at paragraph 3-223 as follows (footnotes excluded):

The goodwill in a business is not necessarily extinguished immediately if the owner ceases to trade. This has been recognised by the Privy Council, and there are numerous cases of claimants succeeding in passing-off actions even though they may have been out of business for several years.

In an early trade mark case it was suggested by analogy with the law of easements that an intention to abandon goodwill was if it was to be extinguished, however this has subsequently been denied. The better view is that if a business is deliberately abandoned in circumstances which are inconsistent with its ever being recommenced then the goodwill in it is destroyed

unless contemporaneously assigned to a new owner. Otherwise, the goodwill in a discontinued business may continue to exist and be capable of being protected, provided the claimant intended and still intends that his former business should resume active trading. It is not necessary that the prospect should be imminent, but the mere possibility of resumption if circumstances should ever change in the claimant's favour is not enough. The claimant's intention to resume business may be more readily believed where the original cessation was forced on him by external circumstances although this factor is not conclusive either way. . . .

33. A convenient discussion of the relevant case law and extracts from the text books referred to above may also be found in the decision of Daniel Alexander AC sitting as the Appointed Person in Simmons Trade Mark (O-468-12) at paragraphs [50] to [57].
34. Contrary to any suggestion that may have been made by the Proprietor on this appeal, it is clear to me from the case law set out in the Decision (much of which is referenced in the footnotes to the extracts from Kerly and Wadlow referred to above) that the Hearing Officer had:
 - (1) Correctly identified the relevant date was the date of the application for the mark in suit i.e., 7 June 2018 (see the case law cited at paragraph 12 of the Decision and the finding at paragraph 13 of the Decision which is not challenged on this appeal).
 - (2) Correctly identified what the meaning of goodwill was for the purposes of passing off (paragraph 14 of the Decision).
 - (3) Recognised that the goodwill must be more than trivial but that a small business may nonetheless have a protectable goodwill (paragraphs 17 to 19 of the Decision).
 - (4) Appreciated the questions of abandonment of goodwill and/or dissipation of residual goodwill arose in the context of the case that was before him and had identified the legal approach to the determination of those issues (paragraphs 21 to 23 of the Decision).
35. In the circumstances although the findings by reference to the legal principles were not set out in a form that was in all instances particularly easy to follow it does not seem to me that the Hearing Officer made any material error in his *identification* of the legal principles that were applicable to the range of issues that he had to decide relating to goodwill on the basis of the facts that were before him.
36. It is now necessary to turn to the gravamen of the Proprietor's complaint namely the incorrect assessment of the evidence that was before the Hearing Officer and the incorrect application of the facts as found to the determination of the legal issues.

37. In particular the Proprietor maintains that the Hearing Officer erred in that he:
- (1) *'Confused reputation and goodwill'* for the purposes of section 5(4)(a) of the 1994 Act;
 - (2) Did not acknowledge that the *'perceived evidence of intent was not related to the requisite goodwill for opposing the Trade Mark'*; and
 - (3) Incorrectly concluded on the basis of the evidence that was before him that DBL had a protectable goodwill at the relevant date.
38. There are two preliminary observations that need to be made at this point in my decision.
39. First in its Counterstatement it was stated that DBL *'accrued significant goodwill through use of the mark TITANIC in respect of whiskey first in northern (sic) Ireland and then throughout the United Kingdom'*. That is to say goodwill was only claimed with respect to whiskey and not with respect to any wider range of goods or services as seems to have been suggested on behalf of the Proprietor on this appeal.
40. It is on the basis of the goodwill in whiskey that DBL maintains that it can invalidate the mark in suit across the entirety of its specification. It is also the basis upon which the Hearing Officer made his Decision see, for example, paragraphs 26 and 27. In the circumstances, in so far as the Proprietor relies upon criticisms relating to any wider range of goods or services, such criticisms are immaterial to the determination of the present appeal.
41. Second, it was suggested on behalf of the Proprietor that the finding by the EUIPO of non-use in relation to the Titanic Mark was relevant to the decision that was before the Hearing Officer with regard to his findings of a protectable goodwill. This is not correct for at least three reasons: (a) the UKIPO is not bound by the decisions of the EUIPO; (b) the issues before the EUIPO were not the same as those before the UKIPO being concerned with 'non-use' under the European Trade Mark Regulation and not passing off; and (c) the decision of the EUIPO relied upon by the Proprietor has now been overturned by the Board of Appeal at the EUIPO and the Titanic Mark such that the Titanic Mark remains registered for 'whiskey' in Class 33 (Decision of the First Board of Appeal of 16 November 2020 in case R 109/2020-1). For the reasons set out in this paragraph in reaching my decision on this appeal I have not taken into account the findings made by the EUIPO whether at first instance or by the Board of Appeal with respect to the Titanic Mark.
42. Turning first to the question of whether the Hearing Officer *'confused reputation with goodwill'* for the purposes of his assessment of section 5(4)(a) of the 1994 Act. I do not accept that the Hearing Officer made any or any material error. It is true that in making his findings in some instances the Hearing Officer made reference to the word 'reputation' and not 'goodwill'.

43. However, as noted above, the Hearing Officer referred in his Decision to the relevant case law as to the requirements to establish a claim for passing off. That case law in many instances refers to ‘goodwill’ and/or ‘reputation’ see for example the quotations set out in paragraphs 10, 11, 12, 15, 16 and 17 of the Decision. Moreover, it is clear from the context in which he made the references to ‘reputation’ that he was not referring to a ‘*mere memory of a business*’ or any knowledge of a business that was not ‘*the attractive force that brings in custom*’ as suggested by the Proprietor but rather to the proprietary right protected by the law of passing off.
44. In the circumstances, whilst I consider that the Decision could perhaps have been better expressed, I do not accept that the Hearing Officer ‘*confused reputation with goodwill*’ in the manner suggested by the Proprietor for the purposes of his determination of the objection under section 5(4)(a) of the 1994 Act.
45. The second point taken on behalf of the Proprietor is that the Hearing Officer did not acknowledge that the ‘*perceived evidence of intent was not related to the requisite goodwill for opposing the Trade Mark*’. This point could be regarded as part of the third point taken on behalf of the Proprietor but to the extent that it may be regarded as a freestanding point, I shall deal with it shortly here.
46. In paragraphs 20 to 24 of the Decision the Hearing Officer considered and made findings on the issue of abandonment together with findings on the issue of goodwill (residual and otherwise). It seems to me that it was open to him to take such an approach as was recognised by Daniel Alexander QC sitting as the Appointed Person in Simmons Trade Mark (O-468-12) at paragraph [57] where he explained the position as follows (emphasis added):
57. It is common sense that the greater the reputation originally established, the greater are the chances that a sufficient residual goodwill still existed at the relevant date: see *Knight v Beyond Properties Pty Ltd & Ors* [2007] EWHC 1251 (Ch) (24 May 2007) at [28]. That shows that the issues of abandonment and establishment of goodwill cannot always be separated. Equally, in my judgment, the extent to which the mark was kept in the public eye prior to the relevant date, for example, through the second hand market, servicing and parts, and a significant enthusiast following (as it was here), may in appropriate cases, be relevant to the overall evaluation of whether sufficient goodwill survived at that date.
47. In adopting such a combined approach, it was permissible for the Hearing Officer to take into account the question of the intentions or plans of DBL in considering the issue of the abandonment of goodwill for the reasons indicated in the extracts from Kerly and Wadlow set out above. It seems to me that, although once again the wording could perhaps have been clearer, this was what the Hearing Officer did in his

Decision in the present case. I therefore do not accept this specific criticism of the Hearing Officer's Decision.

48. The third point taken is that the Hearing Officer incorrectly concluded on the basis of the evidence that was before him that DBL had a protectable goodwill at the relevant date.
49. The appeal is put forward on the basis that the Hearing Officer erred in his conclusions on goodwill because having taken the view that DBL had not abandoned its business (paragraph 20 of his Decision) he went on to analyse the evidence on that basis. In particular it is submitted that the Hearing Officer erred in not considering the possibility that, notwithstanding the alleged efforts of DBL not to abandon the goodwill in relation to its business in whiskey, the goodwill had in fact dwindled to such an extent that it was not protectable either:
 - (1) At the point the active trade ceased that is to say as of 16 February 2017 being the date of the last invoice in evidence; and/or
 - (2) At the relevant date being the date of the filing of the application namely 7 June 2018.
50. It seems to me that whilst there is force in this submission, which was clearly put forward both in writing and at the hearing on behalf of the Proprietor, it is not one that in the particular circumstances of this appeal that I can accept for the reasons set out below.
51. Firstly, it is clear that the Hearing Officer was aware that he was required to make the relevant analysis at two different points in time. He expressly refers to this being necessary in paragraph 24 of his Decision.
52. Secondly, for the reasons set out in paragraphs 46 to 47 above it was open to the Hearing Officer to adopt the combined approach that he did to his assessment of abandonment and establishment of goodwill.
53. Thirdly, the Hearing Officer clearly recognised, the difficulties associated with assessing on the papers the cogency of the evidence put in to support a claim for passing off (see paragraphs 15 and 16 of the Decision and in particular the citation from the judgment of Pumfrey J. in South Cone Incorporated v. Jack Bessant & others [2002] RPC 19 at paragraph 15 of the Decision).
54. In this case there was no hearing at first instance. The parties elected for a decision to be made by the Hearing Officer on the papers. No request was made at any stage for the cross-examination of Mr Lavery who gave the relevant evidence on behalf of DBL in support of the application. Mr Lavery is said to be '*a designated member of Danny Boy LLP*' and gave his evidence on the basis of his own knowledge and from the company records.

55. As was rightly accepted on behalf of the Proprietor at the hearing before me, in the absence of any cross-examination or other relevant evidence to directly contradict Mr Lavery's evidence it was not appropriate to dismiss Mr Lavery's evidence but rather, the issue was what weight should be given to that evidence particularly where not supported by other material.
56. Moreover, it was also accepted, in my view correctly, on behalf of the Proprietor that:
- (1) Sales under and by reference to the sign **TITANIC** can generate goodwill in relation to the goods to which that sign is attached.
 - (2) Highly localised sales can give rise to a protectable goodwill.
 - (3) The fact that a business ceases trading does not mean that any goodwill associated with that business automatically dissipates.
 - (4) The question of whether or not there is a protectable residual goodwill (or as the Proprietor expressed it whether the goodwill had been extinguished) was a matter of fact and degree.
57. In his evidence Mr Lavery said, at paragraph 2 of his witness statement, '*Whiskey labelled with the brand name TITANIC has been sold continuously by us, or our predecessors in title since 2008*'. No sales figures were given. The only evidence of actual sales put forward on behalf of the Proprietor were in the form of 17 invoices dated between 4 March 2014 and 16 February 2017. This was recognised by the Hearing Officer who:
- (1) Described the evidence before him as '*scant*' (see paragraph 20 of his Decision);
 - (2) Came to the view that the mark **TITANIC** was only being used on a relatively small scale in relation to whiskey as of 2011 (see paragraph 20 of his Decision);
 - (3) Appreciated that production of the whiskey sold under and by reference to the mark **TITANIC** ceased in 2011 and that all sales thereafter were of existing stock (see paragraph 20 of the Decision);
 - (4) Appreciated that the sales evidence contained in the invoices which he identified as under £15,000¹ for the period 4 March 2014 and 16 February 2017 as being '*very small in terms of the UK market for whisky (sic), let alone spirits and would not register on the index of market share*' (paragraph 22 of his Decision); and

¹ In fact, the total of the sales shown in the invoices excluding VAT and carriage was £12,180.30 as correctly pointed out on behalf of the Proprietor.

- (5) Appreciated that ‘*the sales in the last few years were concentrated in Belfast and of a relatively small scale*’ (paragraph 24 of the Decision).

I further note that the Hearing Officer accepted albeit with qualification the evidence put forward on behalf of the Proprietor contained in a blog which indicated that the product sold under and by reference to the mark **TITANIC** was well regarded (paragraph 22 of his Decision).

58. The Hearing Officer was in my view entirely correct to find that the evidence was ‘*scant*’; that the quantity of sales was such that they would not register on the index of market share and that the sales in the last few years were concentrated in Belfast.
59. It seems to me that the Hearing Officer had these findings firmly in mind, together with the guidance in the case law that a small business which has more than a trivial goodwill can protect signs which are distinctive of their business under the law of passing off, when he reached his conclusions that DBL had (1) established a protectable goodwill as at the date that the evidence of active trading ended; (2) not at any stage abandoned the goodwill; and (3) that such goodwill would not have dissipated in the 16 months thereafter to the point that there was no protectable residual goodwill as of the application date.
60. In the premises, I have come to the view that this was an evaluation with which I should not interfere. I am reinforced in that view by the points set out in paragraphs 34 and 56 above.
61. Lastly, I must consider the fall-back or alternative position relied upon by the Proprietor namely that given that DBL has not shown any evidence to support a claim that it had any goodwill other than in relation to whiskey the Proprietor should be entitled to maintain its registration in respect of gin in class 33 and the related services in class 40.
62. The Grounds of Appeal on this point did not identify any specific error that is said to have been made by the Hearing Officer. This is not satisfactory for the reasons identified by Iain Purvis QC sitting as the Appointed Person in GREYBOX TM (0-106-20) at paragraph [9].
63. The Hearing Officer set out his reasoning and conclusions on this issue the subject of the appeal in paragraph 27 of his Decision (as set out above). It seems to me that if the points raised by the Proprietor were to be considered afresh by me then as stated by Geoffrey Hobbs QC sitting as the Appointed Person in NICO LONDON TM (O-338-20) at paragraph [36]:

... the Decision would end up being re-taken by this Tribunal under the guise of reviewing it for error. However, it is

necessary in order to maintain the required distance between the role of decision taker at first instance and the role of decision taker on appeal for this Tribunal to proceed on the basis that the Decision below should stand unless the matters on which the [Proprietor] relies are by force of what they reveal sufficient to establish that the Decision is vitiated by error.

64. I have reviewed the Decision in the light of the alternative put forward by the Proprietor. Having done so I am satisfied that the conclusion the Hearing Officer reached is not one that is vitiated by error rather it is one that he was entitled to reach for the reasons that he gave.

Conclusion

65. To conclude, for the reasons set out above, it does not seem to me that there is any error of principle or material error in the Hearing Officer's decision. Moreover, it is not in my view appropriate to interfere with the evaluation that the Hearing Officer made in reaching the decision that he did. In the result the appeal fails and is dismissed.
66. Neither of the parties has asked for any special order as to costs. Since the appeal has been dismissed DBL is entitled to a contribution towards its costs of the appeal. I will therefore make an order that the Proprietor pay to DBL a contribution of £1,500 towards its costs of the appeal. This sum should be paid in addition to the costs of £1,500 below. I therefore order Belfast Gin Distillery Limited to pay to Danny Boy Label LLP £3,000 within 28 days of this decision.

Emma Himsworth QC

Appointed Person

20 January 2021