

0/101/20

IN THE MATTER OF THE TRADE MARKS ACT 1994

-and-

IN THE MATTER OF REGISTRATION NO. 3172648

'Loch Ness Tonic' and 'LochNess Tonic'

in the name of Mr Ian William Henderson

-and-

IN THE MATTER OF INVALIDATION APPLICATION NO. 501930

by Ness Scotland Limited

**APPEAL TO THE APPOINTED PERSON FROM THE DECISION OF MR ALLAN
JAMES, HEARING OFFICER, ACTING ON BEHALF OF THE REGISTRAR OF
TRADE MARKS DATED 16 JANUARY 2019**

DECISION OF THE APPOINTED PERSON

Introduction

1. The Appellant, Ness Scotland Limited ('NSL'), brings this appeal from a Decision of Mr Allan James in which he refused their application to invalidate the following trade mark ('the Trade Mark') in the name of Mr Ian William Henderson ('Mr Henderson'), registered as of 4 July 2016:

Loch Ness Tonic

LochNess Tonic

2. The Trade Mark is registered for the following goods only:

Class 32: Beverages (non-alcoholic)

Class 33: Alcoholic beverages (except beer) but insofar as whisky and whisky-based liqueurs are concerned only Scotch whisky and Scotch whisky based liqueurs produced in Scotland

3. The Trade Mark is alleged to be invalid on the grounds that that it was registered in breach of s5(2)(b) of the Trade Marks Act 1994 because of its similarity to an earlier NSL mark ('the Loch Ness Water mark') registered as of 18 November 2016 in class 32 for 'Carbonated non-alcoholic drinks; sparkling water; still water; all produced from water drawn from Loch Ness.'



4. Some history of the proceedings is necessary. The dispute between the parties began when NSL applied for the following mark ('NSL's Loch Ness Tonic application') in class 32 for the same goods as its NSL Loch Ness Water mark:



5. Mr Henderson brought opposition proceedings against NSL's Loch Ness Tonic application on the basis of his (earlier) Trade Mark. NSL defended those proceedings on the grounds *inter alia* that the similarities between their Application and the Trade Mark lay in entirely descriptive elements, ie the geographical feature Loch Ness and the word Tonic. In the circumstances, they contended, the dominant and distinctive element of NSL's Loch Ness Tonic application was the figurative element of the mark and there was therefore no likelihood of confusion.

6. In the course of the Opposition proceedings, however, NSL made their own application to revoke the Trade Mark on the basis that it was confusingly similar to the Loch Ness Water mark. Obviously this argument conflicted with the arguments it was advancing in Mr Henderson's opposition proceedings. If Mr Henderson's opposition could not succeed because of the basis of the descriptive nature of the words 'Loch Ness Tonic' and the distinctive and dominant nature of the NSL device, then the same must apply *a fortiori* to the invalidity proceedings (there is of course an extra difference between the two marks in the invalidity case - the use of 'water' instead of 'tonic').

7. Not surprisingly, therefore, NSL made it clear that the revocation action (which was determined alongside the Opposition) was contingent on its arguments failing in the opposition proceedings. As the Hearing Officer put it at paragraph 9:

'Ness [NSL] says that, if Henderson is right to claim that his trade mark is confusingly similar to Ness's later trade mark, then it is also similar to its earlier mark. Therefore, in the alternative to its primary arguments, Ness claims that if there is a likelihood of confusion with Henderson's mark, it is the registration of that mark which contravened s5(2)(b) of the Act.'

8. Having reviewed NSL's Grounds of Invalidity and its skeleton argument filed before the Hearing Officer, it is clear to me that the Hearing Officer's summary of NSL's position was quite correct. NSL's skeleton argument in the invalidity proceedings stated as follows at paragraph 6(d):

'Should [NSL's Loch Ness Tonic application] be held to be confusingly similar to [the Trade Mark] then it should follow that that mark is therefore confusingly similar to [the Loch Ness Water mark] which differs only in the substitution of the descriptive word WATER for the descriptive word TONIC.'

9. In the event, NSL's Loch Ness Tonic application was held not to be confusingly similar to the Trade Mark. The Hearing Officer upheld NSL's primary argument that the words LOCH NESS TONIC would be understood by the average consumer as descriptive of a tonic water from Loch Ness and were therefore non-distinctive. Furthermore, NSL's Loch Ness Tonic application included (as its dominant and distinctive element) a distinctive device. In all the circumstances there was no risk that the average consumer would be confused between the two marks. The Opposition under s5(2)(b) was rejected and NSL's Loch Ness Tonic Application therefore proceeded to grant.
10. The Hearing Officer duly rejected NSL's application to invalidate the Trade Mark for the same reasons.

11. Mr Henderson did not appeal against the decision in the Opposition proceedings. However, NSL has appealed against the rejection of the invalidity claim.

12. I have no hesitation in rejecting the appeal. As explained above, the invalidity claim was explicitly contingent on NSL losing on its primary argument, namely that the common presence of the words 'LOCH NESS' with a further descriptive element such as 'TONIC' was insufficient to create a likelihood of confusion between two marks, even where the goods were identical. The hearing officer having upheld NSL's primary argument, it is simply not open to NSL to reverse their position and seek to contend that the similarities are sufficient to create a likelihood of confusion. Indeed, I am astonished that NSL and their advisors considered that this Appeal was appropriate in the circumstances at all. It is in my view plainly an abuse of process, not only because the case was explicitly contingent on failure in the Opposition proceedings but also because advancing the Appeal requires NSL to contend that the Hearing Officer was wrong to make the very findings that NSL were urging him to make, in particular that the words LOCH NESS and TONIC were descriptive and non-distinctive, and that the logo was therefore the distinctive and dominant element of its marks.

13. NSL's bringing of this Appeal smacks of opportunism. They issued the appeal at the last possible moment, when they knew there was very little chance of an appeal by Mr Henderson. They seek to bank their success in the Opposition whilst reversing their position on the very arguments which were central to that success in order to revoke Mr Henderson's mark. This is not acceptable. For the avoidance of doubt, I agree with the Hearing Officer's decision in the Opposition proceedings and I agree that it necessarily followed that the invalidity proceedings failed.

14. In all the circumstances, I will dismiss the Appeal with costs which I assess at £500.

IAIN PURVIS QC
The Appointed Person
17 February 2020