

**O-173-22**

**TRADE MARKS ACT 1994  
IN THE MATTER OF  
TRADE MARK REGISTRATION NO.3415433  
IN THE NAME OF TOLL HOUSE SPIRITS LIMITED  
FOR THE TRADE MARK**

**Redcastle**

**AND THE APPLICATION FOR CANCELLATION THEREOF  
UNDER NO. 503384  
BY  
REDCASTLE FARMS LIMITED**

## Background and pleadings

1. Toll House Spirits Limited (“TH”) is the registered proprietor of the following UK trade mark (“the contested mark”) in classes 32 and 33.

UK TM No. 3415433

# Redcastle

Filing date: 20 July 2019

Registration date: 11 October 2019

Class 32: Aerated fruit juices; Aerated juices; Aerated mineral waters; Aerated water; Aerated water (Preparations for making -); Aerated water [soda water]; Aerated waters; Alcohol free aperitifs; Alcohol free beverages; Alcohol free cider; Alcohol free wine; Alcohol-free beers; Ale; Ales; Aloe juice beverages; Aloe vera drinks, non-alcoholic; Aloe vera juices; Aperitifs, non-alcoholic; Apple juice beverages; Apple juice drinks; Barley wine [Beer]; Barley wine [beer]; Beer; Beer and brewery products; Beer wort; Beer-based beverages; Beer-based cocktails; Beers; Beers enriched with minerals; Beverages consisting of a blend of fruit and vegetable juices; Beverages consisting principally of fruit juices; Beverages containing vitamins; Beverages (Non-alcoholic -); Beverages (Preparations for making -); Beverages (Whey -); Bitter lemon; Black beer; Black beer [toasted-malt beer]; Blackcurrant cordial; Blackcurrant juice; Bock beer; Bottled drinking water; Bottled water; Brown rice beverages other than milk substitutes; Carbohydrate drinks; Carbonated mineral water; Carbonated non-alcoholic drinks; Carbonated soft drinks; Carbonated water; Carbonated waters; Cider, non-alcoholic; Cocktails, non-alcoholic; Coconut juice; Coconut water; Coconut water as a beverage; Coconut water as beverage; Coconut-based beverages; Coffee-flavored ale; Coffee-flavored beer; Coffee-flavored soft drinks; Cola; Cola drinks; Colas [soft drinks]; Concentrated fruit juice; Concentrated fruit juices; Concentrates for making fruit drinks; Concentrates for making fruit juices; Concentrates for use in the preparation of soft drinks; Concentrates used in the preparation of soft drinks;

Condensed smoked plum juice; Cordials; Cordials [non-alcoholic]; Cordials (non-alcoholic beverages); Craft beer; Craft beers; Cranberry juice; Cream soda; De-alcoholised beer; De-alcoholised drinks; De-alcoholised wines; De-alcoholized beer; De-alcoholized drinks; De-alcoholized wines; Dilutable preparations for making beverages; Distilled drinking water; Douzhi (fermented bean drink); Drinking mineral water; Drinking spring water; Drinking water; Drinking water with vitamins; Drinking waters; Dry ginger ale; Effervescing beverages (Pastilles for -); Effervescing beverages (Powders for -); Energy drinks; Energy drinks containing caffeine; Energy drinks [not for medical purposes]; Essences for making beverages; Essences for making flavoured mineral water [not in the nature of essential oils]; Essences for making non-alcoholic beverages; Essences for making non-alcoholic beverages [not in the nature of essential oils]; Essences for making non-alcoholic drinks, not in the nature of essential oils; Extracts for making beverages; Extracts for making non-alcoholic beverages; Extracts of hops for making beer; Extracts of unfermented must; Flavor enhanced water; Flavored beer; Flavored beers; Flavored mineral water; Flavored waters; Flavoured beers; Flavoured carbonated beverages; Flavoured mineral water; Flavoured waters; Frozen carbonated beverages; Frozen fruit beverages; Frozen fruit drinks; Frozen fruit-based beverages; Frozen fruit-based drinks; Fruit beverages; Fruit beverages and fruit juices; Fruit beverages (non-alcoholic); Fruit drinks; Fruit extracts (Non-alcoholic -); Fruit flavored drinks; Fruit flavored soft drinks; Fruit flavoured carbonated drinks; Fruit flavoured drinks; Fruit flavoured waters; Fruit juice; Fruit juice bases; Fruit juice beverages; Fruit juice beverages (Non-alcoholic -); Fruit juice concentrates; Fruit juice drinks; Fruit juice for use as beverages; Fruit juices; Fruit nectars; Fruit nectars, non-alcoholic; Fruit nectars, non-alcoholic; Fruit smoothies; Fruit squashes; Fruit-based beverages; Fruit-based soft drinks flavored with tea; Fruit-flavored beverages; Fruit-flavored soft drinks; Fruit-flavoured beverages; Functional water-based beverages; Ginger ale; Ginger beer; Ginger juice beverages; Glacial water; Grape juice; Grape juice beverages; Grape must, unfermented; Grapefruit juice; Green vegetable juice beverages; Guarana drinks; Guava juice; Honey-based beverages (Non-alcoholic -); Hop extracts for manufacturing beer; Hop extracts for use in the preparation of beverages; Hops (Extracts of -) for making beer; Iced fruit beverages; Imitation beer; India pale ales

(IPAs); IPA (Indian Pale Ale); Isotonic beverages; Isotonic beverages [not for medical purposes]; Isotonic drinks; Isotonic non-alcoholic drinks; Juice drinks; Juice (Fruit -); Juices; Kvass [non-alcoholic beverage]; Kvass [non-alcoholic beverages]; Lager; Lagers; Lemon barley water; Lemon juice for use in the preparation of beverages; Lemon squash; Lemonade; Lemonades; Lime juice cordial; Lime juice for use in the preparation of beverages; Liqueurs (Preparations for making -); Lithia water; Low alcohol beer; Low calorie soft drinks; Low-alcohol beer; Low-calorie soft drinks; Malt beer; Malt syrup for beverages; Malt wort; Mango juice; Melon juice; Mineral and aerated waters; Mineral enriched water [beverages]; Mineral water; Mineral water [beverages]; Mineral water (Non-medicated -); Mineral waters; Mineral waters [beverages]; Mixed fruit juice; Mixed fruit juices; Mixes for making sorbet beverages; Mung bean beverages; Must; Nectars (Fruit -), non-alcoholic; Non alcoholic aperitifs; Non-alcoholic beer; Non-alcoholic beer flavored beverages; Non-alcoholic beers; Non-alcoholic beverages; Non-alcoholic beverages containing fruit juices; Non-alcoholic beverages containing vegetable juices; Non-alcoholic beverages flavored with coffee; Non-alcoholic beverages flavored with tea; Non-alcoholic beverages flavoured with coffee; Non-alcoholic beverages flavoured with tea; Non-alcoholic beverages with tea flavor; Non-alcoholic carbonated beverages; Non-alcoholic cinnamon punch with dried persimmon (sujeonggwa); Non-alcoholic cocktail bases; Non-alcoholic cocktail mixes; Non-alcoholic cocktails; Non-alcoholic cordials; Non-alcoholic drinks; Non-alcoholic drinks enriched with vitamins and mineral salts; Non-alcoholic flavored carbonated beverages; Non-alcoholic fruit cocktails; Non-alcoholic fruit drinks; Non-alcoholic fruit extracts; Non-alcoholic fruit extracts used in the preparation of beverages; Non-alcoholic fruit juice beverages; Non-alcoholic fruit punch; Non-alcoholic grape juice beverages; Non-alcoholic honey-based beverages; Non-alcoholic malt beverages; Non-alcoholic malt drinks; Non-alcoholic malt free beverages [other than for medical use]; Non-alcoholic preparations for making beverages; Non-alcoholic punch; Non-alcoholic punches; Non-alcoholic rice punch (sikhye); Non-alcoholic soda beverages flavoured with tea; Non-alcoholic sparkling fruit juice drinks; Non-alcoholic syrups for making beverages; Non-alcoholic vegetable juice drinks; Non-alcoholic wine; Non-alcoholic wines; Non-carbonated soft drinks; Nut and soy based beverages;

Nutritionally fortified beverages; Nutritionally fortified water; Oat-based beverages [not being milk substitutes]; Orange barley water; Orange juice; Orange juice beverages; Orange juice drinks; Orange squash; Organic fruit juice; Orgeat; Pale ale; Part frozen slush drinks; Pastilles for effervescing beverages; Pineapple juice beverages; Pomegranate juice; Porter; Powders for effervescing beverages; Powders for the preparation of beverages; Powders used in the preparation of coconut water drinks; Powders used in the preparation of fruit-based beverages; Powders used in the preparation of fruit-based drinks; Powders used in the preparation of soft drinks; Preparation for making non-alcoholic beverages; Preparations for making aerated water; Preparations for making beverages; Preparations for making carbonated water; Preparations for making liqueurs; Protein drinks; Protein-enriched sports beverages; Purified drinking water; Quinine water; Ramune (Japanese soda pops); Red ginseng juice beverages; Rice-based beverages, other than milk substitutes; Root beer; Root beers; Root beers, non-alcoholic beverages; Saison beer; Sarsaparilla [non-alcoholic beverage]; Seltzer water; Shandy; Sherbet beverages; Sherbets [beverages]; Slush drinks; Smoked plum beverages; Smoked plum juice beverages; Smoothies; Smoothies containing grains and oats; Smoothies [fruit beverages, fruit predominating]; Smoothies [non-alcoholic fruit beverages]; Soda pops; Soda water; Soft drinks; Soft drinks flavored with tea; Soft drinks for energy supply; Sorbets [beverages]; Sorbets in the nature of beverages; Soy beverage; Soya-based beverages, other than milk substitutes; Soy-based beverages, not being milk substitutes; Sparkling water; Sports drinks; Sports drinks containing electrolytes; Spring water; Spring waters; Squashes [non-alcoholic beverages]; Still water; Still waters; Stout; Stouts; Syrup for making beverages; Syrup for making lemonade; Syrups and other non-alcoholic preparations for making beverages; Syrups for beverages; Syrups for lemonade; Syrups for making beverages; Syrups for making flavoured mineral waters; Syrups for making fruit-flavored drinks; Syrups for making non-alcoholic beverages; Syrups for making soft drinks; Syrups for making whey-based beverages; Syrups used in the preparation of soft drinks; Table water; Table waters; Tomato juice [beverage]; Tomato juice beverages; Tonic water; Tonic water [non-medicated beverages]; Unfermented preserved must; Vegetable drinks; Vegetable juice; Vegetable juices [beverage]; Vegetable juices [beverages]; Vegetable smoothies;

Vegetable-based beverages; Vitamin enriched sparkling water [beverages]; Vitamin fortified non-alcoholic beverages; Water; Water enhanced with minerals; Water (Lithia -); Water (Seltzer -); Water-based beverages containing tea extracts; Watermelon juice; Waters; Waters [beverages]; Waters (Table -); Wheat beer; Whey beverages.

Class 33: Absinthe; Acanthopanax wine (Ogapiju); Aguardiente [sugarcane spirits]; Akvavit; Alcohol (Rice -); Alcoholic aperitif bitters; Alcoholic aperitifs; Alcoholic beverages containing fruit; Alcoholic beverages, except beer; Alcoholic beverages (except beer); Alcoholic beverages except beers; Alcoholic beverages (except beers); Alcoholic beverages [except beers]; Alcoholic beverages of fruit; Alcoholic bitters; Alcoholic carbonated beverages, except beer; Alcoholic cocktail mixes; Alcoholic cocktails; Alcoholic cocktails containing milk; Alcoholic cocktails in the form of chilled gelatins; Alcoholic coffee-based beverage; Alcoholic cordials; Alcoholic egg nog; Alcoholic energy drinks; Alcoholic essences; Alcoholic extracts; Alcoholic fruit beverages; Alcoholic fruit cocktail drinks; Alcoholic fruit extracts; Alcoholic jellies; Alcoholic preparations for making beverages; Alcoholic punches; Alcoholic tea-based beverage; Alcoholic wines; Alcopops; Amontillado; Anise [liqueur]; Anisette; Anisette [liqueur]; Aperitif wines; Aperitifs; Aperitifs with a distilled alcoholic liquor base; Aquavit; Arak; Arak [arrack]; Arrack; Arrack [arak]; Baijiu [Chinese distilled alcoholic beverage]; Beverages (Alcoholic -), except beer; Beverages containing wine [spritzers]; Beverages (Distilled -); Bitters; Black raspberry wine (Bokbunjaju); Blackberry wine; Blackcurrant liqueur; Blended whisky; Bourbon whiskey; Brandy; Cachaca; Calvados; Canadian whisky; Cherry brandy; Chinese brewed liquor (laojiou); Chinese mixed liquor (wujiapie-jiou); Chinese spirit of sorghum (gaolian-jiou); Chinese white liquor (baiganr); Chinese white liquor [baiganr]; Cider; Ciders; Cocktails; Coffee-based liqueurs; Cooking brandy; Cooking wine; Cordials [alcoholic beverages]; Cream liqueurs; Curacao; Dessert wines; Digesters [liqueurs and spirits]; Distilled beverages; Distilled rice spirits [awamori]; Distilled spirits; Distilled spirits of rice (awamori); Dry cider; Extracts of spiritous liquors; Fermented spirit; Flavored tonic liquors; Fortified wines; Fruit (Alcoholic beverages containing -); Fruit extracts, alcoholic; Fruit wine; Gaolian-jiou [sorghum-based Chinese spirits]; Gin; Ginseng liquor; Grape wine;

Grappa; Herb liqueurs; Hulled barley liquor; Hydromel [mead]; Japanese liquor containing herb extracts; Japanese liquor containing mamushi-snake extracts; Japanese liquor flavored with Japanese plum extracts; Japanese liquor flavored with pine needle extracts; Japanese regenerated liquors (naoshi); Japanese sweet grape wine containing extracts of ginseng and cinchona bark; Japanese sweet rice-based mixed liquor (shiro-zake); Japanese sweet rice-based mixed liquor [shiro-zake]; Japanese white liquor (shochu); Japanese white liquor [shochu]; Kirsch; Korean distilled spirits (soju); Korean traditional rice wine (makgeoli); Liqueurs; Liqueurs containing cream; Liquor-based aperitifs; Low alcoholic drinks; Low-alcoholic wine; Malt whisky; Mead [hydromel]; Mulled wine; Mulled wines; Natural sparkling wines; Naturally sparkling wines; Nira [sugarcane-based alcoholic beverage]; Peppermint liqueurs; Perry; Piquette; Potable spirits; Pre-mixed alcoholic beverages; Pre-mixed alcoholic beverages, other than beer-based; Preparations for making alcoholic beverages; Prepared alcoholic cocktails; Prepared wine cocktails; Red ginseng liquor; Red wine; Red wines; Rice alcohol; Rose wines; Rum; Rum [alcoholic beverage]; Rum infused with vitamins; Rum punch; Rum-based beverages; Sake; Sake substitutes; Sangria; Schnapps; Scotch whisky; Scotch whisky based liqueurs; Sherry; Shochu (spirits); Sorghum-based Chinese spirits; Sparkling fruit wine; Sparkling grape wine; Sparkling red wines; Sparkling white wines; Sparkling wine; Sparkling wines; Spirits; Spirits and liquors; Spirits [beverages]; Still wine; Strawberry wine; Sugar cane juice rum; Sweet cider; Sweet wine; Sweet wines; Table wines; Tonic liquor containing herb extracts (homeishu); Tonic liquor containing mamushi-snake extracts (mamushi-zake); Tonic liquor flavored with Japanese plum extracts (umeshu); Tonic liquor flavored with pine needle extracts (matsuba-zake); Vermouth; Vodka; Whiskey; Whiskey [whisky]; Whisky; White wine; White wines; Wine; Wine coolers [drinks]; Wine punch; Wine-based aperitifs; Wine-based drinks; Wines; Wines of protected appellation of origin; Wines of protected geographical indication; Yellow rice wine.

2. On 8 October 2020, Redcastle Farms Limited (“RFL”) applied to have the contested mark declared invalid for all goods under section 47 of the Trade Marks Act 1994 (“the Act”) based on sections 5(4)(a) and 3(6) of the Act. Under section 5(4)(a), RFL alleges that the contested mark and its goods amount to passing off

and it relies on the unregistered sign **Redcastle** for which it claims use in the UK since October 2016 for “the sale of beer and gin, including gin liqueurs”. Under section 3(6) RFL alleges that the contested mark was applied for in bad faith.

3. TH filed a counterstatement denying the grounds of opposition.

4. During these proceedings TH has represented itself and RFL has been represented by Ledingham Chalmers LLP. Both sides filed evidence and written submissions in lieu of a hearing. I make this decision following a reading of all the material before me.

#### **RFL’s evidence in chief**

5. An affidavit and 23 appendices dated 24 May 2021 were filed in the name of John Alexander Anderson, the sole director of RFL.

6. Mr Anderson states that **Redcastle** was the name of his family’s farm, purchased in 1910, which has subsequently been used for his farming and equestrian businesses. In 2016 RFL started a brewery business under the brand name **Redcastle** with the first beer product, named as “Redcastle Brewery Tower IPA”, becoming commercially available in October of that year. This beer was followed by other beer products namely Redcastle Brewery Red Lady, Redcastle Brewery Crusader and Redcastle Brewery King Jester.

7. Mr Anderson states that Redcastle Brewery was and remains the trading name for all RFL’s beer products, namely bottled and draught beers.

8. Mr Anderson further states that since 2016 RFL’s beer products have been sold in Scotland and England in around 150 independent pubs and via a distributor for around 65 locations for the pub chain JD Wetherspoons. The products were also sold in Scotland at farmers markets, trade shows, exhibitions and public events such as the Blair Atholl Horse trials and Dundee Flower show. The beers were also extensively promoted via social media channels. In 2018 the Redcastle Crusader Pale Ale was a finalist in the Scottish beer awards and between 2016 and July 2019,

RFL sold over 82,000 litres of beer<sup>1</sup> although no turnover figures have been provided.

9. Mr Anderson then goes to state that during 2017, RFL took the decision to develop a gin product. This product was launched in July 2017 on social media<sup>2</sup> under the brand name **Redcastle**. The gin products were sold alongside the beer products at previously mentioned farmers markets and other public events in Scotland between July and December 2017<sup>3</sup>. It is stated that RFL paid for all costs associated with the gin production such as bottling, labelling and sealing materials, artworks and design, promotional materials and bottle trays<sup>4</sup>. This amounted to £89,824<sup>5</sup>.

10. It is further stated that in 2017, RFL introduced the trading name Redcastle Spirits alongside Redcastle Brewery to distinguish between the gin and beer sales. Invoicing at that time contained a mixture of references to Redcastle Spirits and Redcastle Brewery but were issued by RFL. Mr Anderson states that between July 2017 and March 2018, RFL made £55,909 worth of gin sales.<sup>6</sup>

11. Mr Anderson then goes on to explain the nature of his relationship with Fiona Walsh (who is now the director of TH). He explained that Ms Walsh had been engaged by RFL in October 2016 on a retainer and commission basis to deal with increasing its beer sales. He also states that in discussion with Ms Walsh in 2017, she had indicated her interest in setting up her own gin business. Thereafter followed an agreement to start producing gin. Mr Anderson does not provide any details of that agreement.

12. Mr Anderson states that on 18 March 2018, Redcastle Spirits Limited ("RSL") was formally incorporated as a company and owned on a 50/50 basis by himself and Fiona Walsh as joint directors. He further states that Ms Walsh assumed

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<sup>1</sup> Paragraph 6

<sup>2</sup> Exhibit JA3

<sup>3</sup> Exhibit JA3

<sup>4</sup> Exhibits JA4 - 12

<sup>5</sup> Exhibit JA18

<sup>6</sup> Exhibit JA16

responsibility for RSL's day to day operations and he was responsible for transport and sales aspects of the business. However Mr Anderson states that there was no agreement to transfer any assets from RFL to RSL and although RSL was able to use **Redcastle** as a brand name for the gin products, there was no intention to transfer rights of the **Redcastle** brand.

13. In late 2019 the relationship between Mr Anderson and Ms Walsh broke down and she petitioned for RSL to be wound up. This occurred in January 2020 which is when he states that he was first made aware that there was a trade mark, i.e. the contested mark, existing in the name of RSL. The trade mark was put up for auction by RSL's liquidators. RFL bid for the mark but the offer was not accepted and the mark was bought by TH and thereafter formally assigned on 30 January 2020.

14. Mr Anderson states he was entirely unaware that Ms Walsh had applied for the trade mark in the name of RSL in July 2019 and would have objected if he had been made aware. Moreover he contends that Ms Walsh intentionally did not discuss the issue of making a trade mark application with him. He further states that all mail concerning RSL, although it was sent to the business address (which was his own home address), was passed directly to Ms Walsh unopened as she ran RSL's day to day business affairs.

#### **TH's evidence**

15. TH submitted a witness statement in the name of Fiona Margaret Walsh and annexed 56 exhibits. Ms Walsh states she is a director of TH and a drinks industry expert. She states that she worked on a consultancy and retainer basis for RFL's Redcastle Brewery business from October 2016 to October 2018 although she continued to support the brewery business after this date on an unpaid basis. This is confirmed in emails evidenced as exhibits FW05-07. She also states she became aware that that sign **Redcastle** was taken from the name of Mr Anderson's family farm but that she was also drawn to the name because of her own family holidays spent in that area.

16. In particular with regard to the gin business, Ms Walsh states that she initially investigated starting her own gin brand with her husband in December 2016 with a

third-party distiller, Mr Lewis Scothern, then of Ogilvy Spirits. Following a telephone conversation with John Anderson in January 2017, Ms Walsh states that Mr Anderson offered some infrastructure support from RFL such as delivery and storage facilities for a gin brand. Following this offer, Ms Walsh and RFL “joined forces” to create a new gin product with the assistance of Ogilvy Spirits. Ms Walsh describes the initial agreement with RFL and in particular with John Anderson as a “gentleman’s agreement”. In this regard Ms Walsh submits as exhibit FW016 an email dated 8 May 2017 outlining the conditions underpinning this agreement, viz

**From:** John Anderson  
<[johnanderson73@outlook.com](mailto:johnanderson73@outlook.com)>  
**Sent:** Monday, May 8, 2017 6:41:32 PM  
**To:** Fiona Walsh <[fionamwalsh@outlook.com](mailto:fionamwalsh@outlook.com)>  
**Subject:** Re: Call File for Telesales Tomorrow

Hi Fiona, Thank you again for your time today. I think that increasing your monthly retainer considering the extra work that you will be doing is fair. Let's just see how James pans out and hopefully it will have Ben the right decision. I will ask him to do a daily report and send it to us both, so that we can keep track very precisely. As far as the Gin is concerned, we will both jointly own the brand and jointly pay a half share for everything. Redcastle will be able to reclaim the Vat on items such as The bottles etc, and so that will not be deducted from your income. I suggest that we both get a letter of agreement signed by us both, and would probably be suffice, but if you would prefer to get a more formal letter drafted by say a lawyer, then I am more than happy to proceed that way also. You can let me know your thoughts, Kind regards, John.

REDCASTLE

produced went forward to finance the next batch. In total she states £23k profit was made on gin sales between July 2017 and March 2018.

18. Ms Walsh then goes on to state that in March 2018, she and John Anderson agreed to formally incorporate RSL as an independent limited company. She met with Mr Anderson and his accountant Iain Gillies where she reluctantly agreed to waive her rights to the £23k gin profits as that had already been used in the brewery business but that she could carry over her initial £5k investment as a director's loan to the new company. Ms Walsh states that in the first year of trading under RSL as a formally incorporated limited company, it significantly invested in marketing, branding and sponsored a local sports club to increase the profile of the gin brand. It also developed new flavours and new products namely gin liqueurs and a ready to drink gin and tonic mix. RSL is stated to have made £40k in net profit in its first year. In the second year of trading prior to the winding up action in December 2019, RSL invested in new equipment which was housed at RFL's brewery premises. RSL also acquired a premises licence and started selling directly from the brewery site and also hosting onsite tasting and tours events in addition to selling directly at other public events in Scotland such as the Glamis horse trials, Blair Atholl horse trials, Scottish Game Fair and Scottish Transport Extravaganza. Ms Walsh also stated that in 2018 she was making preparations to export the gin and had attended specific export awareness events<sup>7</sup> and undertaken a trade mission to Central America to explore new markets.

19. In relation to the trade mark registration, Ms Walsh states that having gained the premises licence she was able to investigate the use of the Amazon Brand Registry to sell RSL's gin products. However a condition of using Amazon is that it requires sellers to have a registered trade mark. Ms Walsh states that in May 2018 she and John Anderson had attended a meeting with a representative of Scottish Enterprise, a branch of Scottish Government who assist start-up businesses in the region, to discuss the protection of IP rights including the registration of the **Redcastle** trade mark<sup>8</sup>, i.e. the contested mark. In July 2019 when the application for trade mark

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<sup>7</sup> Exhibit FW034

<sup>8</sup> Exhibit FW033

registration was made, Ms Walsh states she was acting on behalf of RSL and in choosing class 32 as well as class 33 she states that the **Redcastle** brand would have coverage for beer products as well as gin products. She further states that both products were marketed as a “portfolio” at that time. Furthermore, Ms Walsh states that it is her opinion that John Anderson was in full agreement to this strategy. It is also her opinion that John Anderson was aware of the need for trade mark protection during the meeting with Scottish Enterprise in 2018 and was reminded again in the summer of 2019 when they were in discussions with a Florida based importer about exports to the Caribbean where counterfeit products are a particular problem. She further states that all correspondence relating to the trade mark registration would have been sent to RSL’s registered address which is also the registered address of RFL and therefore John Anderson’s home address. Finally, she states that she made reference to the trade mark in a text message exchange with John Anderson dated 17 November 2019 when their relationship had broken down. For the purpose of clarity, the text message (exhibit FW040) is reproduced below:



20. With regard to the period immediately before the winding up action, on 8 November 2019, Ms Walsh states that she took out a loan of £22k in her own name and deposited same in the bank account of RFL to ensure “a successful Christmas trading period”. However Exhibit FW031 shows a bank statement transaction of £22k going out to Redcastle Spirits not RFL, viz

08 Nov 19	BFS LOAN PAYOUT	BGC	22,000.00		22,250.37
08 Nov 19	REDCASTLE SPIRITS	FPO		22,000.00	250.37
08 Nov 19	REDCASTLE SPIRITS	FPI	1,500.00		1,750.37

21. Ms Walsh states that John Anderson’s behaviour changed to her from the weekend of 16/17 November 2019. She further states that she does not know what prompted this change of behaviour beyond his anger at some damaged stock<sup>9</sup>. Following this weekend, Ms Walsh states John Anderson denied her access to RFL premises (from where RSL operated) and froze the RSL bank account on 27 November 2019. Winding up proceedings were initiated by Ms Walsh shortly after that date. A list of assets including the contested trade mark was compiled by the appointed liquidators for the purposes of auction and TH was successful in bidding for the trade mark. Ms Walsh states that a number of other assets were also bid for but subsequently went missing including machinery, bottled products and a quantity of gin drained from holding vessels. Ms Walsh then gives a summary of the actions which have taken place since the assignment of the trade mark which have included threatening phone calls from John Anderson, personal attacks on social media against Ms Walsh, a cease and desist letter from Ms Walsh, and new gin products launched by RFL which Ms Walsh believe to be the missing assets of RSL.

### **RFL’s evidence in reply**

22. RFL’s evidence in reply is in the form of a witness statement made by Iain Gillies, who is a chartered accountant and has acted in that capacity for RFL for 20 years. The most pertinent points to note from Mr Gillies’s witness statement are the clarification of a number of dates. In particular the declarant states that RFL bore the costs of setting up the gin business in 2017 and that beer and gin revenue was handled by RFL in 2017 and up to March 2018 until RSL was formally incorporated. The accounts for RSL were then taken forward by different accountants so Mr Gillies had no personal knowledge of RSL after the incorporation. He does state however that some monies for RSL gin sales were received by RFL up to November 2018 but attributes this to customers not noting the change from RFL to RSL.

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<sup>9</sup> Paragraph x

23. This concludes my summary of the evidence.

**The statutory provisions for section 5(4)(a)**

24. 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.”

25. 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.”

26. The relevant parts of section 47 state:

“(1) [...]

(2) 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.

[...]

(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”.

27. In *Discount Outlet v Feel Good UK*,<sup>10</sup> 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] THC 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.

28. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

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<sup>10</sup> [2017] EWHC 1400 IPEC

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff 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 feature 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 successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court 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 plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(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 confusion or 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**

29. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*<sup>11</sup>, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purpose of section 5(4)(a) of the Act where one or both of the parties have used the mark at issue prior to the date of the application to register the contested mark. He explained that:

“41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom’s TM* [2005] THC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user’s mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] THC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: “date of commencement of the conduct complained of”. If there was no right to prevent

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

passing off at that date, ordinarily there will be no right to do so at the later date of application.”

30. In *Smart Planet Technologies, Inc. v Rajinda Sharma*<sup>12</sup> Mr Thomas Mitcheson QC, as the Appointed Person, pointed out that “*the start of the behaviour complained about*” is not the same as the date that the user of the applied-for mark acquired the right to protect it under the law of passing off. Rather, it is the date that the user of that mark committed the first external act about which the other party could have complained (if it knew about it) as an act of actual or threatened passing off. Typically, this will be the date when first offer was made to market relevant goods or services under the mark. However, it could also be the date the first public-facing indication was made that sales were proposed to be made under the mark in future. If the user of the applied-for mark was not passing off at the time such use commenced (usually because no one else had acquired a protectable goodwill under a conflicting mark at that time), he or she will not normally be passing off by continuing to use the mark.

31. The filing date of the contested mark is 20 July 2019. Therefore, it is the prima facie relevant date. However, RFL’s evidence states that beer products were first sold under the sign **Redcastle** in October 2016 and the gin products were first sold in July 2017. As such, I shall also refer to these dates when I come to assessing the establishment of goodwill.

## **Goodwill**

32. The first hurdle for RFL is to demonstrate that it had the necessary goodwill in the sign **Redcastle** at the relevant date. The issue of what constitutes goodwill was discussed in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd*<sup>13</sup> viz,

“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

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<sup>12</sup> BL O/304/20

<sup>13</sup> [1901] AC 217 (HOL)

which distinguishes an old-established business from a new business at its first start.”

33. In *Smart Planet Technologies, Inc. v Rajinda Sharm*<sup>14</sup> Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] THC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

34. In *Minimax GmbH & Co KG v Chubb Fire Limited*<sup>15</sup>, Floyd J. (as he then was) stated that,

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

35. I intend to approach the goodwill issue separately, firstly in relation to the gin products then secondly in relation to the beer products.

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<sup>14</sup> BL O/304/20

<sup>15</sup> [2008] EWHC 1960 (Pat) (HC) paragraph 15

36. The evidence shows that the first **Redcastle** branded gin product was launched by RFL in July 2017 and it continued to trade for some 8 months until the formation of RSL in March 2018, although there is evidence showing that some monies were received after this date by RFL for gin sales, which RFL's accountant puts down to simple mistakes made by customers. Therefore there is a potential for goodwill to have accrued during these 8 months. It is apparent from RFL's evidence namely exhibit JA23 that RFL's Facebook social media postings in the name of Redcastle Brewery and dated 28 July 2017, 30 July 2017 and 9 December 2017 demonstrated that gin products were available for sale by RFL during this 8 month period, but no further social media evidence from RFL was provided after December 2017. However in TH's evidence, namely Exhibit FW019, it is apparent that social media posts in the name of Redcastle on Facebook, Twitter and Instagram were made from July 2017 onwards and focussed primarily on the gin products. In the Facebook posting dated 24 July 2017, there is use of the name Redcastle Spirits as the originator of the gin products and in a posting dated 11 January 2018, there is a reference to "our sister company Redcastle Brewery". In a posting dated 12 February 2018, there is a single reference to ales from the Redcastle Brewery and a photograph of said ales on display.

37. Goodwill accrues to the business that the public thinks is responsible for the products. In the summary above, I find there is some evidence that RFL was promoting the sale of gin products between July and December 2017. But that at the same time Redcastle Spirits was also promoting the gin products and differentiating itself from RFL as a separate entity and also accruing goodwill in its own right. In John Anderson's witness statement at paragraphs 17 and 18, he states that there was no intention to transfer "assets" or "the rights to the Redcastle brand" from RFL but there is no mention of goodwill or indeed any evidence at all to corroborate this statement of intention. What is evidenced by TH, is the email from John Anderson dated 17 May 2017 in which he states that the brand is to be jointly owned<sup>16</sup>. There is nothing in RFL's evidence which addresses the issue of goodwill transferring to RSL upon its formation but given the evidence about the joint ownership of

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<sup>16</sup> Exhibit FW016

**Redcastle** brand, I find that on the balance of probabilities, any goodwill accrued by RFL would have been transferred at the same time as RSL was set up.

38. If I am incorrect in this finding then in the alternative I need to consider what if any residual goodwill may still exist. Taking the questions posed in the *Minimax* extract above on the subject of residual goodwill, it is apparent that 8 months is not a great deal of time for a product to be lodged in the mind of the public especially as sales appeared to be on a small scale. There is a difference of opinion between the parties as to how much turnover was made between July 2017 and March 2018 and neither side's evidence indicates how many bottles were sold during this period. Absent any evidence to the contrary, it is my view that the reputation of the product was also small and localised during this period. In terms of how RFL has acted to keep any reputation in the public eye, in short it has not. RFL or at least its controlling mind agreed to set up RSL in March 2018 precisely to take forward the gin production, presumably in the expectation it would grow and flourish as its own business. To my mind the goodwill generated by RFL through production and sales of gin was transferred to RSL at the same time as it (RFL) no longer carried on the gin production. At the time of the application for the contested trade mark in July 2019, RSL had been trading in the gin products for 16 months, so twice as long as RFL, and had established a protectable goodwill of its own during that time. Therefore any goodwill held by RFL for gin products must be nominal as it has not been trading in the goods since March 2018 when RSL was set up and then I find that even if RFL had not transferred such goodwill as it had accrued to RSL, any such goodwill generated by the contested mark has been subsequently displaced by RSL's goodwill which was subsequently assigned to TH in January 2020.

39. Therefore I find the case has not been made out under section 5(4)(a) for the gin products.

40. With regard to beer, RFL's evidence states that it had launched its first beer product under the sign **Redcastle** in October 2016 into the marketplace and has continued to trade since that date, although no annual turnover figures for beer have been provided. The relevant market for assessing goodwill is the UK. In its evidence RFL states that in 2017 its beer products were available in 150 Scottish pubs and 63

pubs in the JD Wetherspoons chain. Unfortunately, the list of Wetherspoons pubs at exhibit JA3 is unreadable so I am unable to ascertain if these are Scottish locations only or if they extend elsewhere in the UK. The public events that RFL attended all took place in Scotland. However, RFL's evidence also states that its beers were sold in Central England via a distributor. The establishment of goodwill in a single area is not necessarily a barrier to proceeding. In *Saxon Trade Mark*<sup>17</sup>, Laddie J. identified different considerations that apply where the opponent, by analogy in this case RFL, has only a local goodwill and the applicant, by analogy TH, proposes to trade in the area in which the opponent has established goodwill or, by analogy as is the case here, has made an application to register a national mark which implies such an intention.

41. Therefore, I find that at the relevant date, RFL had accrued protectable goodwill in beer products for almost three years, i.e. since October 2016. There is no evidence that RSL ever traded in beer products so therefore has not accrued any goodwill for these goods. Taking the above into account I find that RFL have cleared the first hurdle in establishing sufficient goodwill for its beer products in class 32.

### **Misrepresentation**

42. Having cleared the first hurdle of goodwill I now go on to consider the second hurdle of misrepresentation.

43. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

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

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the

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<sup>17</sup> [2003] FSR 39 (HC)

public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"

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

And later in the same judgment:

"... for my part, I think that references, in this context, to "more than *de minimis* " and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

44. In *Lumos Skincare Limited*<sup>18</sup>, Lord Justice Lloyd commented on the paragraph above as follows:

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

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<sup>18</sup> *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590

45. Accordingly, once it has been established that the party relying on the existence of an earlier right under section 5(4)(a) had sufficient goodwill at the relevant date to found a passing-off claim, the likelihood that only a relatively small number of persons would be likely to be deceived does not mean that the case must fail. There will be a misrepresentation if a substantial number of customers, or potential customers, of the claimant's actual business would be likely to be deceived.

46. So far, I have found RFL to have goodwill for the sign **Redcastle** in respect of beer products. The contested mark is **Redcastle**, so clearly the marks are identical. In addition, TH have several beer products as part of its class 32 specification. Again, clearly these goods are identical. I find that a consumer who is aware of RFL's **Redcastle** beer products would believe that any beer products produced by TH and being sold under the contested mark would originate from the same undertaking, i.e. RFL. This would be not be the case for any non-beer related products in either class 32 or in class 33 as I do not find that the goodwill accrued by RFL relates to any other products other than beer. Overall I find that use of the contested mark by TH for beer products at the relevant date would have constituted a misrepresentation to a substantial number of consumers.

### **Damage**

47. Having found that the goodwill and misrepresentation limbs of the test have been satisfied and that the parties respective beer products in class 32 are identical, it follows that damage to RFL's goodwill will arise, the most obvious example being the diversion of trade from RFL to TH.

48. In conclusion I find the case has been made out under section 5(4)(a) for the beer products.

### **The statutory provisions for section 3(6)**

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

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

50. Section 47 of the Act states:

“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). Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

[...]

(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.

[...]

(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.”.

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

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

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

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

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

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

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

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

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

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

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

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

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

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

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

52. According to *Alexander Trade Mark*<sup>19</sup>, 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?

53. It is necessary to ascertain what TH knew at the relevant date<sup>20</sup>. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date<sup>21</sup>. The relevant date in this case is the filing date for the contested mark namely 20 July 2019.

54. I pause here to remind myself that as per the case law cited above, it is for the party alleging bad faith to prove it. I will start therefore by examining whether RFL has provided such evidence

55. In its notice of cancellation, RFL alleges that the application for the contested mark was made in bad faith because it was made by Ms Walsh without reference to Mr Anderson and that at most RSL only had an implied licence to use the brand Redcastle in relation to gin. In Mr Anderson's affidavit, he accepts that it was "implicit in the arrangement that RSL could produce and sell Redcastle Gin and the other gin-based products"<sup>22</sup>. However, there is a lack of evidence relating to any such agreement. He also states that he had discussed the matter of brand protection with legal and business representatives since 2017 but had not pursued any formal route to such protection<sup>23</sup>. He goes on to state that he would have disagreed with the application for a trade mark in the name of RSL had he been made aware of it at the time. In his view

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<sup>19</sup> BL O/036/18

<sup>20</sup> *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch).

<sup>21</sup> *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] THC 9 (approved by the Court of Appeal in England and Wales: [2010] THC 16).

<sup>22</sup> Paragraph 18

<sup>23</sup> Paragraph 22

he would have “been agreeing to hand over half the Redcastle Brewery business that RFL had invested in so heavily, and for nothing”<sup>24</sup>.

56. From my reading of evidence, Mr Anderson and Ms Walsh had agreed to form RSL for the purpose of trading in gin products. There is nothing in the evidence before me which suggests that RSL was acting against the interest of RFL at the point the trade mark application was made especially as RSL was the vehicle set up specifically to take forward the gin production in March 2018. It also strikes me as unlikely that when the trade mark application was made in July 2019, it could be forecast that RSL would be wound up in December 2019. There are clearly a number of personal issues at stake here. Mr Anderson accuses Ms Walsh of deliberately not telling him that a trade mark application had been made, but he also admits that Ms Walsh undertook the day to day running of RSL which would presumably include the administration of the brand. It is not clear why Ms Walsh did not explicitly tell Mr Anderson about the trade mark at the time the application was made or why it was registered for the entirety of class 32 which protected beer products as well as non-alcoholic versions of the alcoholic spirits covered in class 33 other than the beer and gin products were regarded as a “portfolio” at the date of application<sup>25</sup> However as the case law above states the size of the list of the goods in the specifications are not grounds for bad faith. Taking all this into account I do not find that applying for a trade mark in the name of RSL and choosing both class 32 and 33 amounts to “conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices”. Furthermore, when the contested mark became an asset recorded by RSL’s liquidators, TH successfully bid for the contested mark in line with accepted commercial practice in such circumstances.

57. Taking all the evidence into account, I find the case for bad faith has not been made out and therefore fails.

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<sup>24</sup> Paragraph 21

<sup>25</sup> Witness statement of Fiona Walsh, paragraph 42

## Overall conclusion

58. RFL has failed in its claims under section 3(6) but was partially successful under section 5(4)(a) for beer products. Subject to any appeal against this decision, the contested mark will be declared invalid for the following goods in class 32:

**Class 32:** *Ale; Ales; Barley wine [Beer]; Barley wine [beer]; Beer; Beer and brewery products; Beer wort; Beer-based beverages; Beer-based cocktails; Beers; Beers enriched with minerals; Black beer; Black beer [toasted-malt beer]; Bock beer; Coffee-flavored ale; Coffee-flavored beer; Craft beer; Craft beers; Extracts of hops for making beer; Flavored beer; Flavored beers; Flavoured beers; Hop extracts for manufacturing beer; Hop extracts for use in the preparation of beverages; Hops (Extracts of -) for making beer; India pale ales (IPAs); IPA (Indian Pale Ale); Low alcohol beer; Low-alcohol beer; Malt beer; Pale ale; Porter; Saison beer; Stout; Stouts; Wheat beer.*

59. The contested mark can remain registered for all of class 33 and for the remaining goods in class 32 namely,

**Class 32:** *Aerated fruit juices; Aerated juices; Aerated mineral waters; Aerated water; Aerated water (Preparations for making -); Aerated water [soda water]; Aerated waters; Alcohol free aperitifs; Alcohol-free beers; Alcohol free beverages; Alcohol free cider; Alcohol free wine; Aloe juice beverages; Aloe vera drinks, non-alcoholic; Aloe vera juices; Aperitifs, non-alcoholic; Apple juice beverages; Apple juice drinks; Beverages consisting of a blend of fruit and vegetable juices; Beverages consisting principally of fruit juices; Beverages containing vitamins; Beverages (Non-alcoholic -); Beverages (Preparations for making -); Beverages (Whey -); Bitter lemon; Blackcurrant cordial; Blackcurrant juice; Bottled drinking water; Bottled water; Brown rice beverages other than milk substitutes; Carbohydrate drinks; Carbonated mineral water; Carbonated non-alcoholic drinks; Carbonated soft drinks; Carbonated water; Carbonated waters; Cider, non-alcoholic; Cocktails, non-alcoholic; Coconut juice; Coconut water; Coconut water as a beverage; Coconut water as beverage; Coconut-based beverages; Coffee-flavored soft drinks; Cola; Cola drinks; Colas [soft drinks]; Concentrated fruit juice;*

*Concentrated fruit juices; Concentrates for making fruit drinks; Concentrates for making fruit juices; Concentrates for use in the preparation of soft drinks; Concentrates used in the preparation of soft drinks; Condensed smoked plum juice; Cordials; Cordials [non-alcoholic]; Cordials (non-alcoholic beverages); Cranberry juice; Cream soda; De-alcoholised beer; De-alcoholized beer; De-alcoholised drinks; De-alcoholised wines; De-alcoholised drinks; De-alcoholized wines; Dilutable preparations for making beverages; Distilled drinking water; Douzhi (fermented bean drink); Drinking mineral water; Drinking spring water; Drinking water; Drinking water with vitamins; Drinking waters; Dry ginger ale; Effervescing beverages (Pastilles for -); Effervescing beverages (Powders for -); Energy drinks; Energy drinks containing caffeine; Energy drinks [not for medical purposes]; Essences for making beverages; Essences for making flavoured mineral water [not in the nature of essential oils]; Essences for making non-alcoholic beverages; Essences for making non-alcoholic beverages [not in the nature of essential oils]; Essences for making non-alcoholic drinks, not in the nature of essential oils; Extracts for making beverages; Extracts for making non-alcoholic beverages; Extracts of unfermented must; Flavor enhanced water; Flavored mineral water; Flavored waters; Flavoured carbonated beverages; Flavoured mineral water; Flavoured waters; Frozen carbonated beverages; Frozen fruit beverages; Frozen fruit drinks; Frozen fruit-based beverages; Frozen fruit-based drinks; Fruit beverages; Fruit beverages and fruit juices; Fruit beverages (non-alcoholic); Fruit drinks; Fruit extracts (Non-alcoholic -); Fruit flavored drinks; Fruit flavored soft drinks; Fruit flavoured carbonated drinks; Fruit flavoured drinks; Fruit flavoured waters; Fruit juice; Fruit juice bases; Fruit juice beverages; Fruit juice beverages (Non-alcoholic -); Fruit juice concentrates; Fruit juice drinks; Fruit juice for use as beverages; Fruit juices; Fruit nectars; Fruit nectars, non-alcoholic; Fruit nectars, non-alcoholic; Fruit smoothies; Fruit squashes; Fruit-based beverages; Fruit-based soft drinks flavored with tea; Fruit-flavored beverages; Fruit-flavored soft drinks; Fruit-flavoured beverages; Functional water-based beverages; Ginger ale; Ginger beer; Ginger juice beverages; Glacial water; Grape juice; Grape juice beverages; Grape must, unfermented; Grapefruit juice; Green vegetable juice beverages; Guarana drinks; Guava juice; Honey-based beverages (Non-alcoholic -); Iced fruit*

*beverages; Imitation beer; Isotonic beverages; Isotonic beverages [not for medical purposes]; Isotonic drinks; Isotonic non-alcoholic drinks; Juice drinks; Juice (Fruit -); Juices; Kvass [non-alcoholic beverage]; Kvass [non-alcoholic beverages]; Lager; Lagers; Lemon barley water; Lemon juice for use in the preparation of beverages; Lemon squash; Lemonade; Lemonades; Lime juice cordial; Lime juice for use in the preparation of beverages; Liqueurs (Preparations for making -); Lithia water; Low calorie soft drinks; Low-calorie soft drinks; Malt syrup for beverages; Malt wort; Mango juice; Melon juice; Mineral and aerated waters; Mineral enriched water [beverages]; Mineral water; Mineral water [beverages]; Mineral water (Non-medicated -); Mineral waters; Mineral waters [beverages]; Mixed fruit juice; Mixed fruit juices; Mixes for making sorbet beverages; Mung bean beverages; Must; Nectars (Fruit -), non-alcoholic; Non alcoholic aperitifs; Non-alcoholic beverages; Non-alcoholic beverages containing fruit juices; Non-alcoholic beverages containing vegetable juices; Non-alcoholic beverages flavored with coffee; Non-alcoholic beverages flavored with tea; Non-alcoholic beverages flavoured with coffee; Non-alcoholic beverages flavoured with tea; Non-alcoholic beverages with tea flavor; Non-alcoholic beer; Non-alcoholic beer flavored beverages; Non-alcoholic beers; Non-alcoholic carbonated beverages; Non-alcoholic cinnamon punch with dried persimmon (sujeonggwa); Non-alcoholic cocktail bases; Non-alcoholic cocktail mixes; Non-alcoholic cocktails; Non-alcoholic cordials; Non-alcoholic drinks; Non-alcoholic drinks enriched with vitamins and mineral salts; Non-alcoholic flavored carbonated beverages; Non-alcoholic fruit cocktails; Non-alcoholic fruit drinks; Non-alcoholic fruit extracts; Non-alcoholic fruit extracts used in the preparation of beverages; Non-alcoholic fruit juice beverages; Non-alcoholic fruit punch; Non-alcoholic grape juice beverages; Non-alcoholic honey-based beverages; Non-alcoholic malt beverages; Non-alcoholic malt drinks; Non-alcoholic malt free beverages [other than for medical use]; Non-alcoholic preparations for making beverages; Non-alcoholic punch; Non-alcoholic punches; Non-alcoholic rice punch (sikhye); Non-alcoholic soda beverages flavoured with tea; Non-alcoholic sparkling fruit juice drinks; Non-alcoholic syrups for making beverages; Non-alcoholic vegetable juice drinks; Non-alcoholic wine; Non-alcoholic wines; Non-carbonated soft drinks; Nut and soy based beverages;*

*Nutritionally fortified beverages; Nutritionally fortified water; Oat-based beverages [not being milk substitutes]; Orange barley water; Orange juice; Orange juice beverages; Orange juice drinks; Orange squash; Organic fruit juice; Orgeat; Part frozen slush drinks; Pastilles for effervescing beverages; Pineapple juice beverages; Pomegranate juice; Powders for effervescing beverages; Powders for the preparation of beverages; Powders used in the preparation of coconut water drinks; Powders used in the preparation of fruit-based beverages; Powders used in the preparation of fruit-based drinks; Powders used in the preparation of soft drinks; Preparation for making non-alcoholic beverages; Preparations for making aerated water; Preparations for making beverages; Preparations for making carbonated water; Preparations for making liqueurs; Protein drinks; Protein-enriched sports beverages; Purified drinking water; Quinine water; Ramune (Japanese soda pops); Red ginseng juice beverages; Rice-based beverages, other than milk substitutes; Root beer; Root beers; Root beers, non-alcoholic beverages; Sarsaparilla [non-alcoholic beverage]; Seltzer water; Shandy; Sherbet beverages; Sherbets [beverages]; Slush drinks; Smoked plum beverages; Smoked plum juice beverages; Smoothies; Smoothies containing grains and oats; Smoothies [fruit beverages, fruit predominating]; Smoothies [non-alcoholic fruit beverages]; Soda pops; Soda water; Soft drinks; Soft drinks flavored with tea; Soft drinks for energy supply; Sorbets [beverages]; Sorbets in the nature of beverages; Soy beverage; Soya-based beverages, other than milk substitutes; Soy-based beverages, not being milk substitutes; Sparkling water; Sports drinks; Sports drinks containing electrolytes; Spring water; Spring waters; Squashes [non-alcoholic beverages]; Still water; Still waters; Syrup for making beverages; Syrup for making lemonade; Syrups and other non-alcoholic preparations for making beverages; Syrups for beverages; Syrups for lemonade; Syrups for making beverages; Syrups for making flavoured mineral waters; Syrups for making fruit-flavored drinks; Syrups for making non-alcoholic beverages; Syrups for making soft drinks; Syrups for making whey-based beverages; Syrups used in the preparation of soft drinks; Table water; Table waters; Tomato juice [beverage]; Tomato juice beverages; Tonic water; Tonic water [non-medicated beverages]; Unfermented preserved must; Vegetable drinks; Vegetable juice; Vegetable juices [beverage]; Vegetable*

*juices [beverages]; Vegetable smoothies; Vegetable-based beverages; Vitamin enriched sparkling water [beverages]; Vitamin fortified non-alcoholic beverages; Water; Water enhanced with minerals; Water (Lithia -); Water (Seltzer -); Water-based beverages containing tea extracts; Watermelon juice; Waters; Waters [beverages]; Waters (Table -); Whey beverages.*

**Costs**

60. As both parties have had a measure of success in these proceedings, I do not find it appropriate to award costs.

**Dated this 1<sup>st</sup> day of March 2022**

**June Ralph**

**For the Registrar**

**The Comptroller-General**